



foundations

creating a future without youth homelessness

YFOUNDATIONS SUBMISSION TO NSW HOMELESSNESS STRATEGY

February 2025



Acknowledgement of Country

Yfoundations acknowledges the traditional custodians of the land we and our members operate on across NSW. We pay our respects to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples. We thank them for protecting the land and its ecosystems for time immemorial and acknowledge that sovereignty was never ceded.

Yfoundations

Yfoundations is the peak body for youth homelessness in NSW. 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 representing the services that support them. Our members and board comprise highly experienced youth specialist homelessness service providers who have direct knowledge of and experience with the issues faced by children and young people experiencing homelessness.

Yfoundations has a focus on working closely with young people with a lived experience of homelessness. Our Youth Homelessness Representative Council (YHRC) is a group of young people (aged 18–25 years) with lived experiences of homelessness and a passion to improve the lives of young people. They meet regularly to discuss and act on issues affecting children and young people at risk of or experiencing homelessness, utilising the platform provided through the YHRC to voice concerns on issues that matter to them from their experiences of homelessness.

Yfoundations is also one of only two peak bodies in Australia that specialise in child and youth homelessness.

We see the development of the NSW Homelessness Strategy 2025–2035 and the NSW Child and Youth Homelessness Action Plan as opportunities through which the NSW Government can lead the way in the development and implementation of a homelessness and housing system that includes innovative approaches designed to tackle the issues and drivers that lead to child and youth homelessness as well as provide developmentally-appropriate, trauma-informed, person-centred and integrated solutions and housing models to address and end their homelessness.

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Executive Summary

Yfoundations views the NSW Homelessness Strategy 2025–2035 (the Strategy) and the NSW Government’s commitment to develop and implement a NSW Child and Youth Homelessness and Housing Action Plan (the Action Plan) under the Strategy as a once in a generation opportunity to make a meaningful and lasting impact on child and youth homelessness in this state, such that child and youth homelessness can be rare, brief and not repeated.

Unaccompanied children and young people are a significant group experiencing homelessness across NSW. They require prioritisation and targeted increased investment in the NSW Homelessness Strategy if we are to significantly address the systemic, economic and social drivers of child and youth homelessness and reduce the numbers of children and young people cycling into and through homelessness.

Recommendation 1: The NSW Government prioritises the development of the NSW Child and Youth Homelessness Action Plan, recognising the scale and complexity of the issue and the specialised responses required; that this be done in consultation with Yfoundations and the youth homelessness services sector, and informed by the expertise of young people with lived experience; that the timeframe and process for the development of the Action Plan be communicated to the sector as soon as possible; and that appropriate resourcing be identified and quarantined for this purpose.

Recommendation 2: The NSW Homelessness Strategy 2025–2035 and the NSW Child and Youth Homelessness Action Plan include clear commitments for funding targeted responses and services for unaccompanied children and young people who experience homelessness commensurate with the extent of child and youth homelessness in NSW.

Recommendation 3: The NSW Homelessness Strategy 2025–2035 recognises that the solution to child and youth homelessness requires a focus on a broader range of systemic issues and responses, and that addressing the causes of child and youth homelessness and making housing more affordable and accessible across all housing types would enable the provision of housing as a human right. The need for a whole-of-government and multi-systemic approach to solving child and youth homelessness requires cabinet level leadership and a commitment from central agencies to support and drive the implementation of this commitment.

Recommendation 4: The NSW Homelessness Strategy 2025–2035 recognises that solutions to Aboriginal homelessness need to be co-designed with Aboriginal experts, practitioners and leaders, and informed by Aboriginal people with lived experience of homelessness; that Aboriginal community-controlled services should be supported and resourced to deliver and manage these solutions; and that the expansion of an Aboriginal-led sector requires increased and dedicated resources, planning and time.

Recommendation 5: The NSW Government, under the Homelessness Strategy 2025–2035 and the NSW Child and Youth Homelessness Action Plan, emphasises the need for and develops strategies to bring together all relevant parties and resources across government and mainstream services sectors that have a role to play in addressing the drivers of child and youth homelessness and preventing children and young people entering into homelessness.

Recommendation 6: The prioritisation of and increased investment into prevention measures under the NSW Homelessness Strategy 2025–2035 be an enhancement to the service system overall (mainstream, specialist and cross sector) to address all the drivers of child and youth homelessness; that this not be done at the expense of crisis-driven responses, recognising that crisis services for children and young people already constitute a form of early intervention that can break the cycle and a lifetime of homelessness; and that a distinct, interdepartmental funding stream be proposed, funded and managed to resource prevention.

Recommendation 7: The NSW Government adequately funds youth SHS to provide intensive, trauma-informed, specialised responses for unaccompanied children and young people, particularly those experiencing DFV, taking into account the diverse needs of the range of young people in this situation, for example, Aboriginal young people, young people from culturally and linguistically diverse backgrounds, LGBTQIA+ young people, etc.

Recommendation 8: The NSW Homelessness Strategy 2025–2035 and the NSW Child and Youth Homelessness Action Plan recognise that a one-size-fits-all approach such as ‘Housing First’ is not the best model for young people and that investment is required in a range of specialised youth supported medium-term and transitional housing models to respond flexibly to the housing and development needs of young people experiencing homelessness.

Recommendation 9: The NSW Homelessness Strategy 2025–2035 recognises the need for a different and more innovative approach by government to how it

defines and funds social housing so that medium-term and transitional housing are treated as a fundamental part of the social housing system and are funded accordingly.

Recommendation 10: The NSW Homelessness Strategy 2025–2035 recognises that ongoing resourcing of support provision must be built into the funding model for youth social housing as an essential component to enable young people to sustain tenancies in the medium and longer terms, and prevent them from cycling into and out of homelessness.

Recommendation 11: The NSW Government reviews existing policy settings (eligibility, tenure and rent) for social housing and develop a flexible approach to social housing models to remove barriers to access and provide long-term housing options with support that are affordable to young people exiting supported accommodation.

Recommendation 12: The NSW Homelessness Strategy 2025–2035 sets a target for social housing delivered by community housing providers and state housing agencies to be priority allocated to support the cohorts of young people exiting supported housing who are identified as requiring long-term social housing.

Recommendation 13: The NSW Homelessness Strategy 2025–2035 recognises the need for a collaborative, co-design approach at a regional level to develop an investment program for youth supported housing that sets out the types of models required, best locations for investment and priorities for investment over time, and that this be undertaken as part of the NSW Child and Youth Homelessness Action Plan.

Recommendation 14: The NSW Homelessness Strategy 2025–2035 and the NSW Child and Youth Homelessness Action Plan support new service delivery and housing models for Aboriginal young people designed with and delivered by specialist Aboriginal-led homelessness services to close the gap and significantly reduce the number of Aboriginal unaccompanied children and young people experiencing homelessness.

Recommendation 15: The NSW Government addresses the severe shortage of appropriate exit options from crisis accommodation by appropriate investment in the range of supported medium-term/transitional housing models for young people.

Recommendation 16: The NSW Homelessness Strategy 2025-2035 addresses the workforce challenges for the SHS sector through better and appropriate funding, sufficient indexation to cover increases in wage and non-wage costs, and longer contract terms to cover the increasing cost of service delivery and to attract, develop and retain an appropriately skilled and dedicated workforce.

Introduction

Yfoundations views the NSW Homelessness Strategy 2025-2035 (the Strategy) and the NSW Government's commitment to develop and implement a NSW Child and Youth Homelessness and Housing Action Plan (the Action Plan) under the 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 be rare, brief and not repeated.

Our submission focuses on the experiences of children and young people who are at risk of homelessness or experiencing homelessness on an unaccompanied basis – that is, their experience of homelessness is without the support of or separate to a parent or guardian, including where the guardian is the state government or minister.

Unaccompanied children and young people are a significant group experiencing homelessness across NSW. They require prioritisation and targeted increased investment in the NSW Homelessness Strategy if we are to significantly reduce the numbers of children and young people cycling into and through homelessness. To achieve this objective, both the Strategy and Action Plan need to draw together all relevant parties and resources across the government and non-government sectors that have a role to play. They also need to draw together and provide the strategic and practical direction for the funding available under the state and federal budgets.

Increased investment is needed in services that respond to children and young people at risk of and experiencing homelessness. Given the clear evidence that, without this investment, children and young people will continue to cycle in and out of homelessness and will be at greater risk of long-term homelessness, a focus on this often hidden and neglected cohort is the most effective prevention and early intervention strategy to break the cycle of homelessness and reduce the level of child and youth homelessness in NSW over time.

Nationally, at a legal and policy level, children are generally defined as any person under the age of 18 years. In NSW, children are defined as any person under 16 years of age. 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. While individual needs will differ according to a broad range of factors, including life experiences, level of psycho-social development and at 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.¹ 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'.² 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.

Unaccompanied children in NSW are responded to under the 'Unaccompanied Children 12-15 Years Accessing Specialist Homelessness Services' Policy by specialist homelessness services (SHS) 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. 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. While not all 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.

NSW has the highest number of young people aged 15-24 years presenting alone to SHS in 2023-24 (13,217)³ compared to other states/territories in Australia, comprising just over 35% of the total number of young people aged 15-24 years presenting alone to SHS across the country. Young people presenting alone to SHS in NSW also comprise around 86% of young people presenting to SHS in NSW, and almost 20% of all people presenting to SHS in this state. An additional 1,204 children aged 10-14 years presented alone to SHS in the same year.

¹ Cutuli, J. J., Ahumada, S. M., Herbers, J. E., Laffavor, T. L., Masten, A. S., & Oberg, C. N. (2017). Adversity and children experiencing family homelessness: Implications for health. *Journal of children & poverty*, 23(1), 41-55. <https://doi.org/10.1080/10796126.2016.1198753>

² Refer Article 1, *United Nations Convention on the Rights of the Child* (1989). <https://www.unicef.org/media/52626/file>

³ Homes NSW, *Specialist Homelessness Services 2023-24: Overview of the NSW data in the report by Australian Institute of Health & Welfare 11 December 2024*, presentation slides.

Indigenous young people comprised 34% of young people presenting alone to SHS in NSW.⁴

The 2021 Australian Census data⁵ was a stark reminder that children and young people in Australia are experiencing homelessness in significant numbers. Of the 122,494 people experiencing homelessness on Census night in 2021, nearly:

- a quarter (23%) of all people experiencing homelessness were aged 12-24 years (28,204 people)
- 38% of people experiencing homelessness in the 2021 Census were under 24 years old.

However, unaccompanied child and youth homelessness is much deeper than the data and research tell us. Homelessness for many unaccompanied children and young people is hidden. The most dominant forms of homelessness that unaccompanied children and young people experience are couch surfing, severe overcrowding, and living in crisis accommodation, often refuge hopping every three months due to time restrictions imposed by policies.

Compared to older cohorts, unaccompanied children and young people have distinctive pathways into homelessness and different experiences. The factors that escalate children and young people into homelessness are also often different - neglect; abuse; family violence, dysfunction and breakdown; lack of effective care and guardianship by family or out-of-home care systems; homophobia and transphobia. And while we know that factors such as family violence, sexual violence, abuse, racism and poverty are also key factors for adults, unaccompanied children and young people do not have the same level of development, coping strategies or resources (whether that's financial, support networks or life experience) as adults, which makes them more vulnerable and their experiences more dangerous.

Yfoundations understands it is the intention of the NSW Government that the Action Plan for Child and Youth Homelessness will fall out of the NSW Homelessness Strategy. The commitment to develop the Action Plan was made quite some time ago and yet information about the timetable and the process for developing this plan have still not been released. As we have strongly argued in this submission and other submissions (and throughout all our advocacy), the strategies for addressing child and youth homelessness, and the principles to

⁴ Australian Institute of Health & Welfare (2024). *Specialist Homelessness Services (SHS) Collection (SHSC) data cubes 2023-24*. AIHW, Canberra.

⁵ Australian Bureau of Statistics (ABS) (2023). *Estimating Homelessness: 2021 Census*, Australian Government, Canberra. <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release>

inform this, are different to those proposed to address adult homelessness. Yfoundations believes that given this difference, the lapse in time since the commitment was announced, and the urgent need for the NSW Government to prioritise and actively address child and youth homelessness in this state, progress on the action plan should commence immediately and not be contingent on first finalising the Strategy.

Yfoundations applauds the NSW Government's recognition in its introduction to the Draft NSW Homelessness Strategy 2025–2035 (the Draft Strategy) that program costs have been rising over the last decade due to increasing inflation, award wages and complexity of client need, but funding levels have not kept pace.⁶ However, we do not agree it is just 'historic under-investment in social housing, prevention and early intervention' that has led to a system that is 'crisis driven, and unable to meet demand'.⁷ Poor state planning overall, a lack of holistic and integrated service provision, gaps in mainstream services and service delivery, and an historic under-investment in medium-term and transitional supported housing models for children and young people, have contributed to the high demand for crisis-driven homelessness responses, an incapacity to meet those demands (demonstrated by the level of unmet need⁸), and repeat presentations to SHS.

There is a severe shortage of appropriate exit options from crisis accommodation due to the lack of supported medium-term/transitional housing models, especially for young people. This needs to be addressed if we are to enable young clients to rebuild their lives from the trauma and circumstances that led to their homelessness, and the subsequent trauma from experiencing homelessness and being cycled into and out of inadequately resourced and inappropriate crisis accommodation options. 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 Strategy and Action Plan must include commitments to fund accommodation and housing for unaccompanied children and young people.

⁶ Homes NSW (2024). *Draft: NSW Homelessness Strategy 2025–2035*, State of New South Wales through Homes NSW, Sydney, pp. 6–7.

⁷ Homes NSW (2024). *Draft: NSW Homelessness Strategy 2025–2035*, State of New South Wales through Homes NSW, Sydney, pp. 6–7.

⁸ We are yet to ascertain the level of unmet need for young people presenting alone to SHS in NSW; however, the SHS Annual Report 2023–24 shows that nationally, of young people presenting alone to SHS needing short-term or emergency accommodation, just over 39% were turned away with another 13% receiving a referral only. (AIHW (2024). *Specialist Homelessness Services Annual Report 2023–24* at <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/young-people-presenting-alone>

The AIHW report, 'Specialist homelessness services client pathways: Young clients aged 18 to 24 in 2018-20' provides a longitudinal analysis (over a defining period of 24 months from the start of the first support period between July 2018 and June 2020) of a cohort of young clients aged 18-24 years who received SHS support some time in 2018-20. A comparison cohort (2018-20 non-young) was created, comprising clients aged 25 years and over who received SHS support at any time during 2018-20.⁹

Almost 17,240 young clients aged 18-24 received SHS support in NSW in 2018-20. These clients had the following key characteristics:

- Almost two-thirds (just over 61%, 10,575 clients) were female.
- Over 37% (6,404 clients) were Indigenous Australians.
- Almost 9% (1,515 clients) were born overseas.
- Just over half (53%, 9,147 clients) received only one episode of support in 2018-20.
- Almost half (48% or 8,208 clients) had received SHS support at some point in the 84 months (7 years) leading up to July 2018, with over 22% of them having three or more support periods during that time - meaning they would have been aged 17 years (at the most) or younger at the time of those supports.
- Nearly two-thirds (64% or 10,970 clients) were homeless at some time during the defining study period.
- Almost 24% (4,090 clients) received accommodation during the defining study period.
- Of the 10,970 clients that had experienced homelessness, almost two-thirds (6,884 clients) had been couch-surfing at some time.
- Just over half (8,670 clients) had a current mental health issue during the defining study period, and over 16% (2,800 clients) had problematic drug and/or alcohol issues.
- Around 37% (6,370 clients) had experienced family and domestic violence during the defining study period.¹⁰

Just over 82% of those young people presented alone and almost 25% presented with children.

⁹ Australian Institute of Health and Welfare (2023). *Specialist homelessness services client pathways: Young clients aged 18 to 24 in 2018-20*. <https://www.aihw.gov.au/reports/homelessness-services/shs-young-clients-aged-18-to-24-in-2018-20>

¹⁰ Australian Institute of Health and Welfare (2023). *Specialist homelessness services client pathways: Young clients aged 18 to 24 in 2018-20*.

In addition, over half (53%) had received SHS support in the defining period from July 2018 to June 2020 and just over a quarter had three or more support periods in that period.

The comparative analysis with the approximately 50,640 SHS clients who received SHS support in NSW during that period and were aged 25 years and over, showed that the young clients were:

- more likely to have experienced homelessness (64% of the young cohort compared with 55% of the non-young group), including having been a couch surfer (40% compared with 22%)
- more likely to need accommodation, with 53% of young clients needing medium-term accommodation (compared with 42%), 60% needing long-term accommodation (compared with 55%) and 52% needing short-term accommodation (compared with 49%)
- more likely to have family-related issues as reasons for seeking assistance, such as relationship/family breakdown (43% compared with 24%), time out from family/other situation (21% compared with 9%) and lack of family and/or community support (34% compared with 22%)
- more likely to have a current mental health issue (50% compared with 46%) and equally likely to have had problematic drug or alcohol issues (16%)
- more likely to have had three or more support periods during the defining period.¹¹

This longitudinal analysis confirms what Yfoundations and homelessness service providers know and have long been saying, namely that:

- it is crucial that homelessness among children and young people is rare, brief and non-recurring – the data clearly shows child and youth homelessness is not rare, their experiences with homelessness and in the homelessness services system are not brief, and their homelessness is often repeated due to the chronic underfunding of these services
- pathways into homelessness for children and young people are diverse and different to those of older clients seeking SHS support, and responses for children and young people experiencing and at risk of homelessness need to be development-appropriate, person-centred and trauma-informed
- accommodation needs are greater for younger people and current options are clearly insufficient to meet need, necessitating the development and supply of diverse youth supported housing options and periods of accommodation

¹¹ Australian Institute of Health and Welfare (2023). *Specialist homelessness services client pathways: Young clients aged 18 to 24 in 2018–20*.

- for early intervention and prevention strategies to be effective, they need to be strengthened and integrated across wider support services sectors, thus increasing their availability and a broader understanding of child and youth homelessness as a consequence of diverse social and economic circumstances
- the prioritisation of prevention as a guiding principle of the strategy cannot be achieved at the expense of the provision of crisis-driven responses and accommodation
- stability, better support, an increase of youth SHS across the state, and proper resourcing of the SHS sector and workforce are critical to ensure service delivery can effectively address the needs of children and young people experiencing and at risk of homelessness, and that the SHS sector has the capacity to do this.

In addition, the latest Redbridge Group polling across 24 key electorates conducted on behalf of Homelessness Australia in the lead up to the forthcoming federal election found there is increasing support for increasing investment in services for children and young people experiencing homelessness, with 86% of voters aged 18–34 years supporting the idea and 92% of voters aged 65 and older showing support.¹²

In preparing this submission, Yfoundations consulted with our members on the Draft Strategy. We have also included input from other discussions with members and work we have done with our lived experience group, the Youth Homelessness Representative Council.

¹² Redbridge Group (2025). *Homelessness in Key Electorates, February 2025*.
<https://homelessnessaustralia.org.au/wp-content/uploads/2025/02/Homelessness-Research-Presentation-Feb-2025.pdf>

Strategy overview

Yfoundations is pleased that our long-standing call that child and youth homelessness is rare, brief and non-recurring is reflected in the Draft NSW Homelessness Strategy vision that 'Homelessness in NSW is rare, brief and not repeated'; however, we believe the strategies to prevent and respond to child and youth homelessness should necessitate outcomes that are wider than people having 'a safe home and the support to keep it'.

Children and young people have diverse pathways into, and experiences of, homelessness compared to adults and need dedicated and focused responses. Many may be escaping domestic and family violence or family breakdown, and/or be managing issues arising from mental health, alcohol and other drugs; some may have children themselves; many may also be dealing with discrimination related to race, culture, sexuality or gender; and others may have a disability.

Developmentally-appropriate, person-centred, trauma-informed responses are crucial and have long informed the work of youth homelessness service providers: those under 16 years of age need care, guidance and support like any child but that care may look different for those experiencing or at risk of homelessness and/or with complex needs. This is likely to be similar for 16-17-year-olds, whereas 18-24-year-olds will, mostly, need support to transition into adulthood and independent living. Having a 'safe home' is only one aspect of the service response required by children and young people at risk of and experiencing homelessness.

Trauma-informed responses (including for young people in the older age groups) and responses for children and young people with complex needs will inevitably require a stronger focus on developmental support built into medium- and longer-term housing models. Some young people will benefit from supported youth housing models that are designed to provide medium-term/transitional housing to enable them to develop life skills to transition to independence, and others will need longer-term or permanent supported housing solutions.

Guiding principles of the strategy

At a glance, the nine aspirational principles that are proposed to guide the development and implementation of the homelessness strategy for the next 10 years appear to be ambitious and, for the most part, aligned with the values and guiding principles that have informed the work of homelessness service providers and homelessness peaks across the state for many years. However, when we dive

into the detail, some are not necessarily appropriate or all-encompassing solutions to addressing child and youth homelessness, and others may be impractical given the realities of specialist homelessness service provision in many parts of the state. We will focus our feedback on those guiding principles that require amendment to be adequately responsive to the needs of children and young people.

In essence, a common thread throughout this submission is that addressing the drivers of homelessness intersects with many government support systems, necessitating a whole-of-government approach to address widespread and repeated policy and mainstream service system failures and gaps that contribute and lead to homelessness; joined-up service planning and delivery to address gaps in the system; sufficient resourcing; and building systems, tools and measurements that are consistent, accessible and fit for purpose. For this strategy to be truly impactful in addressing and ending homelessness in this state, implementation cannot solely rest with one agency and one pool of funding.

Yfoundations believes this highlights the need for cabinet level leadership to ensure all portfolio areas are committed to, and accountable for, implementing the Strategy and that central agencies play an active role in supporting the implementation process.

Housing is a human right

Housing is a human right and should be a guiding principle in all housing and homelessness strategies that aim to respond to and end homelessness. However, while access to safe, appropriate, affordable, and sustainable housing is one of the most basic human rights, homelessness, especially for children and young people, is not just about housing.

A child or young person who is homeless will be facing the violation of a broad range of human rights, including the right to an adequate standard of living, the right to the highest possible standard of health, the right to liberty and security of the person, the right to education, the right to privacy, the right to social security, the right to freedom from discrimination, and many more. These rights are protected by international human rights treaties, including the International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, and the Convention of the Rights of the Child.¹³

¹³ Yfoundations (2024). *Yfoundations submission to Senate Economics Legislation Committee on the National Housing and Homelessness Plan Bill 2024 (No. 2)*, Yfoundations, Sydney NSW.

The solution to child and youth homelessness requires a focus on a broader range of systemic issues and responses to provide, support and strengthen the foundations that are vital to the growth and development of all children and young people. Addressing the causes of child and youth homelessness and making housing more affordable and accessible across all housing types would enable the provision of housing as a human right.

As noted by the Human Rights and Equal Opportunity Commission, 'A human rights approach acknowledges that homelessness is more than just a housing issue. Addressing homelessness requires a comprehensive and integrated approach that takes into account its many and varied causes and effects... A human rights approach to homelessness would involve all levels of government committing to and taking concrete targeted legislative, policy and budgetary steps towards the full and immediate realisation of the human rights of homeless persons.'¹⁴

We discuss the drivers of child and youth homelessness in more detail further in this submission to highlight where change is needed.

Aboriginal expertise and leadership are respected

Yfoundations supports the expansion of an Aboriginal-led homelessness and housing sector and believes Aboriginal expertise and leadership should inform the identification of the issues and drivers of Aboriginal homelessness, and inform and guide responses to address housing and homelessness for Aboriginal peoples, families and communities.

Solutions should be co-designed with Aboriginal experts, practitioners and leaders, and informed by Aboriginal people with lived experience of homelessness; and Aboriginal community-controlled services should be supported and resourced to deliver and manage these solutions to Close the Gap. We also support ongoing work in the non-Aboriginal sector to ensure cultural safety and sensitivity for all Aboriginal people and families seeking support.

Closing the Gap is underpinned by the belief that 'when Aboriginal and Torres Strait Islander people have a genuine say in the design and delivery of policies, programs and services that affect them, better life outcomes are achieved. It also recognises that structural change in the way governments work with Aboriginal

¹⁴ Human Rights & Equal Opportunity Commission (2008). *Homelessness is a Human Rights Issue*, Australian Human Rights Commission, Canberra, p. 13. <https://humanrights.gov.au/our-work/publications/homelessness-human-rights-issue-2008>

and Torres Strait Islander people is needed to close the gap.¹⁵ Key principles and strategies such as Closing the Gap should be embedded in the Homelessness Strategy and guide the design of Aboriginal community-controlled homelessness services.

In the context of allocating system resources to align with need, there is a need for clarity given specialist homelessness services (SHS) continue to operate with inadequate funding to meet demand and sustain current levels of service delivery, and the focus on the recommissioning of homelessness services does not include a substantial increase in available resources to address these shortfalls. Aboriginal-led services and non-Aboriginal-led services should not be pitted against each other for whatever homelessness resources are made available for implementing this strategy and the recommissioning of services.

The expansion of an Aboriginal-led sector requires increased and targeted resources, planning and time, and this needs to be clearly acknowledged in the Strategy. In the meantime, homelessness service delivery for Aboriginal people and families cannot be compromised due to shortfalls in the rest of the sector that will continue to provide support to them, and that will continue to service areas that may not have access to Aboriginal-led homelessness services.

Prevention is prioritised

Yfoundations agrees that prevention needs to be prioritised and would argue that this cannot be done at the expense of much needed crisis-driven responses and accommodation, which have long needed to be increased and enhanced to meet current demand, and which will always be necessary to ensure immediate responses are available to those in crisis. The SHS data shows that demand has far outweighed the availability of crisis responses for many years now, particularly for young people presenting alone to SHS needing crisis accommodation.¹⁶ These crisis responses need to be properly resourced and enhanced to meet increasing demand and this requires additional investment.

There is no argument that an increased investment into prevention is necessary to achieve the objective of reducing homelessness and, therefore, the need for crisis-

¹⁵ Department of the Prime Minister and Cabinet (2020). *National Agreement on Closing the Gap*, Commonwealth of Australia, Department of the Prime Minister and Cabinet. Preamble 6. <https://www.closingthegap.gov.au/national-agreement/national-agreement-closing-the-gap/1-preamble>

¹⁶ While we are yet to ascertain the data on unmet needs for young people presenting alone to SHS in NSW, we know that nationally, of young people presenting alone to SHS in 2023–24 needing short-term or emergency accommodation, just over 39% were turned away with another 13% receiving a referral only. (AIHW (2024). Specialist homelessness services Annual Report 2023–24. <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/young-people-presenting-alone>)

driven responses services over time. Providing coordinated responses at key transition points for young people (like out-of-home care and youth justice facilities) is also crucial given these are key pathways into youth homelessness. However, it is important to recognise that where intervening with children and young people in crisis serves to break the cycle and stop the child or young person experiencing long-term homelessness, that crisis service has played a preventative role.

Yfoundations believes an increased investment into prevention should be an enhancement to the service system overall (mainstream, specialist and cross sector) to address all the drivers of child and youth homelessness. This includes addressing inadequacies in government policies, programs and resources, and gaps in broader service systems that see children and young people very often end up in the youth homelessness service system – a system that has neither been designed nor resourced to respond to this failure to provide a continuum of support for children and young people at risk.

Often, the failures of the service systems responsible for keeping children and young people safely housed also drive them to seek homelessness support. These are children and young people who are impacted by child abuse and neglect; domestic and family violence (DFV); poverty; and poor exits from out-of-home care (OOHC) and youth justice. This results in children and young people becoming trapped in the youth homelessness service system with no clear pathways out of homelessness based on their individual circumstances. They become 'stuck' and identified as homeless when there are other issues of equal concern, such as mental health, violence, abuse, neglect, education problems or the need for family mediation.¹⁷

The youth homelessness service system was never designed to be the end of the road for the failures of other sectors, yet it continues to plug the gaps of other service systems without additional resources.

Of concern in the Draft Strategy is the statement about driving 'greater efficiencies in the system' to redirect 'focus and resources towards prevention initiatives across the continuum.'¹⁸ This will not, in the short to medium term, drive down demand for crisis-driven homelessness responses and will not address the current lack of exit options for young people exiting institutional care or youth justice, or

¹⁷ MacKenzie, D., et al (2020). *Redesign of homelessness service system for young people*, AHURI Final Report No. 327, Australian Housing and Urban Research Institute Limited, Melbourne; Alves, T., & Roggenbuck, C. (2021). *Final Report: Towards a Youth Homelessness Strategy for Victoria*, prepared by AHURI, Australian Housing and Urban Research Institute, Melbourne.

¹⁸ Homes NSW (2024). *Draft: NSW Homelessness Strategy 2025-2035*, p. 12.

escaping violent homes, etc. This is not, and should not be seen as, a budget neutral proposition. Current homelessness service delivery will be severely compromised if resources are diverted away from crisis responses in favour of prevention initiatives, thus driving up costs, both economic and social. Prevention is no quick fix, outcomes will not be delivered in the short-term, and crisis-driven responses have always been predicated on demand.

This concern is exacerbated when read in conjunction with the statement in the recent NSW Homes Discussion Paper that the forthcoming Homelessness Strategy will support prevention and diversion measures to move away from crisis-driven responses that 'do not effectively help people avoid or exit homelessness'.¹⁹

To suggest crisis responses do not effectively help people avoid or exit homelessness ignores the reality that there are insufficient, and in some areas no, exit points. It also incorrectly suggests that the homelessness services sector's delivery of crisis responses may be responsible for the ineffectiveness of crisis-driven responses in helping people avoid or exit homelessness. Again, the most recent national data on young people presenting alone to SHS, for example, clearly shows that of young people needing short-term or emergency accommodation across Australia, over half did not receive it²⁰ due to the reality that, as in previous years, there continues to be insufficient crisis accommodation, and insufficient affordable private rental and longer-term housing solutions to meet need.

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.

This approach to driving greater efficiencies to redirect resources to supporting prevention measures across the continuum appears to also suggest this will remove the need for crisis-driven responses. The current cost of living and housing crises, the increase in domestic and family violence and family breakdown (key reasons for young people seeking support from the SHS system), current levels of severe overcrowding, the increase in young people presenting to SHS with mental health issues, and the inadequate supply of social and affordable

¹⁹ Homes NSW (2024). *Homes NSW Discussion paper: To inform the Homes for NSW Plan*, State of New South Wales through Homes NSW, Sydney, p. 19.

²⁰ Of young people needing short-term or emergency accommodation, just over 39% were turned away with another 13% receiving a referral only. <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/young-people-presenting-alone>

housing for young people are evidence that crisis responses continue to be required – and will for some time to come.

The previous experience with the NSW Government's Going Home Staying Home reform in 2014 is an example of how the diversion of funds into prevention and early intervention alongside a divestment of funds from SHS providing crisis-driven responses did not achieve the expected or desired outcomes. It is critical that the lessons learned from that process inform future approaches under the Homelessness Strategy.

A more effective resourcing strategy may be to propose and source a distinct (and, perhaps more appropriately, interdepartmental) funding stream to resource prevention. This may provide a mechanism by which government departments can ensure mainstream services that are within their remit are working together and implementing coordinated prevention measures with other service sectors (including SHS) to stop children and young people falling through a multitude of cracks.

Housing First principles be embedded in policy and practice

Yfoundations has concerns about Housing First principles being embedded in policy and practice with no reference to other appropriate youth housing models and when there are very few Housing First models that provide evidence of its appropriateness for the majority of young people experiencing homelessness, and its sustainability in the Australian context. Housing First principles should not be embedded in policy and practice at the expense of other models known to be more effective for most children and young people experiencing homelessness.

We are aware of Housing First for Youth (HF4Y) initiatives that have provided positive outcomes for young people. However, they come with the caveat that Housing First is not a one-size-fits-all panacea for youth homelessness and, in the main, is not the best or appropriate model for all young people. As articulated above, the diverse pathways into and experiences of child and youth homelessness will necessitate targeted, developmentally-appropriate, person-centred and trauma-informed support and supported housing models. The diverse levels and range of supports required to address these needs are different to those for adults experiencing chronic homelessness and rough sleeping; therefore, Housing First should not be positioned as the overarching, all-encompassing approach to addressing child and youth homelessness in NSW.

The success of HF4Y relies on a whole service system approach that encompasses services outside of the HF4Y umbrella - such as health, employment and education supports - and these supports being delivered by specialist youth workers who can 'effectively nurture the unique developmental needs of young people, building resilience and independent living skills in order to foster a positive transition into adulthood.'²¹

HF4Y is also founded on the principle of prioritising youth choice, youth voice and self-determination. By placing all state resources into the Housing First basket at the expense of developing and properly resourcing already successful alternative models, government would be removing the flexibility of young people to not participate in a HF4Y program where other services/models may be better suited to their preferences or needs. A successful and effective service system and continuum must deliver a range of services that address the diverse needs of young people experiencing homelessness, such as supported medium-term and transitional accommodation, youth drop-in centres and outreach programs. 'The HF4Y approach is intended to complement these services, rather than replace them.'²²

Given the severely stretched and under-resourced capacity of the youth homelessness service sector as it currently stands, and the projected levels of homelessness service system funding over coming years, there appears to be no resourcing or potential for trialling and developing successful and sustainable HF4Y models in NSW. However, where we do see support and accommodation models for young people working in NSW, and where we know they can be sustainable given the right resources, is in medium-term and transitional supported youth housing models. The current lack of this accommodation for young people in this state speaks more to the lack of flexibility and resourcing of such models than it does to the success of these models. We will address this in more detail further in this submission.

Service planning and delivery is flexible, localised and joined-up

In an ideal world, service planning and delivery would be flexible, localised and joined-up, so that local communities can assess their needs and design solutions with relevant stakeholders. However, SHS in non-metropolitan areas have reported considerable barriers to providing specialised and joined-up responses to children and young people at risk of or experiencing homelessness. This is due

²¹ Youth Affairs Council of Western Australia (2023). *Housing First for Youth (HF4Y) Project Report*. YACWA, Western Australia, p. 7.

²² Youth Affairs Council of Western Australia (2023), p. 11.

to significant gaps in local service systems in regional and remote areas, with a lack or complete absence of youth-specific crisis and medium-term accommodation, residential rehabilitation facilities and intensive mental health services; limited and often inaccessible mainstream services in the regions; and transport difficulties, as well as staffing issues.²³ Joined-up responses are not possible without access to external mainstream services as SHS providers have finite resources and capabilities to provide the required specialised response.

Certain areas of the state, such as far western and north-western NSW, have no youth-specific crisis accommodation whatsoever. This means young people experiencing homelessness have to travel considerable distances to access specialised support in larger regional areas away from their local communities and support networks. This can often be traumatising, disrupting belonging and leading to further social isolation. This is particularly the case for Aboriginal young people who are forced to move off country, affecting community kinship and mental health, and exacerbating intergenerational trauma. The alternative for all these young people is to stay in inappropriate and unsafe accommodation where they are at risk of exploitation and violence.²⁴

To address this, the NSW Government must increase the number of youth SHS and youth-specific refuges in regional and rural areas, and provide targeted and additional investment to bolster the youth homelessness services sector, ensuring every population centre has specialised youth crisis accommodation and person-centred youth service delivery. Without this investment, localised planning will be ineffective in addressing the needs of children and young people at risk of and experiencing homelessness.

While shifting from siloed, competitive funding to flexible policy and funding models that allow different places to do different things is a step in the right direction, it also has the potential to create even further rifts depending on the process and funding outcomes. Tighter resources coupled with competitive funding models across the wider service spectrum have negatively impacted relationships and trust between many service providers, making it difficult to embark on a process of flexible, localised, joined-up service planning and delivery in those areas. What we are hearing from service providers across the service system spectrum is that 'services sometimes don't play well together.' In addition, smaller services may not have the internal staff, budgets and/or resources to commit to such a process and, in many areas, the physical resources required for

²³ Yfoundations (2022). *Regional Youth Homelessness Forum Consultation Report*. Yfoundations, Sydney, p. 4. www.yfoundations.org.au

²⁴ Yfoundations (2022), p. 5.

those solutions by way of buildings, social housing stock, temporary accommodation, etc. are just not there.

Some services in the broader child and youth services sector have cited the erosion in many local government areas (LGAs) of the wider interagency meetings and networks that were previously coordinated and resourced by local government, coupled with the mergers of many smaller LGAs into larger regional LGAs in the not-too-distant past, as having created an additional barrier to services being facilitated and supported to come together to plan and deliver in a joined-up way, particularly in a climate of high demand for services and inadequate resources.

On the other hand, some larger regional homelessness service providers have, over the years, developed composite models of service delivery, which have grown out of place-based responses to homelessness and child and youth homelessness. They provide an extensive range of services along a continuum of support from early intervention, crisis and transitional support, and supported independent housing to affordable social housing, along with a range of specialised complementary services, including counselling services, financial counselling, health services, mental health services, and education, training and employment services. They are in tune with local needs and communities and are models of good practice in the sector. In some cases, there is, understandably, a wariness about the impact of another local planning and delivery process on established good practice.

In addition, the increased presence of larger statewide service providers in smaller local regional and remote areas, combined with their need to centralise administrative, financial and planning functions (to drive efficiencies) may also present challenges for effective localised and joined-up needs assessment, local solutions design and joined-up delivery. Likewise, inconsistency in the resourcing and effectiveness of state government district or local area offices, and changing political environments and imperatives at state and local government levels impact available resources at all levels, particularly in regional and remote areas, and particularly where that service planning may necessitate the supply of additional accommodation, social housing stock and local offices.

The increasing and ongoing ravaging climate impacts on housing and homelessness²⁵ have seen large parts of the state going from the devastation from

²⁵ Council to Homeless Persons (2024). *Climate Change and Homelessness Research Project Report*, The Council to Homeless Persons, Melbourne. <https://chp.org.au/wp-content/uploads/2024/06/Climate-Change-and-Homelessness-Research-Project-Report.pdf>

severe bushfires straight into floods, or dealing with extended episodes of drought, leaving barely enough time for recovery, let alone planning responses and reconstruction. It must also be remembered that in addition to increased demand for support, many of the local sector workers delivering that support are also personally impacted by these events. A number of staff in the Northern Rivers lost their homes in the floods in 2020 and again in 2022, and, on an ongoing basis, the non-existent rental vacancy rates in many of those areas affects staff as well as the young people they are supporting.

The workforce is strong and capable

The demands on the homelessness services sector workforce are significant, with workers daily supporting people who are experiencing trauma and negotiating challenging situations. These workers use their skills and experience to assist clients to make potentially traumatising disclosures about what has happened to them and to de-escalate situations when tensions are running high. Despite the essential and demanding nature of the job, wages are low and this contributes to difficulty in attracting and retaining staff across the state. Ironically, some services have reported that they are increasingly 'bleeding [i.e. losing]] staff to DCJ [Department of Communities and Justice] and the government sector where they can get better pay and conditions.' The length of contracts and the way they are commissioned also impact retention in the sector.

Shortages in SHS staff in rural and regional NSW have further exacerbated the significant gaps in the youth homelessness services system in these areas and difficulties accessing services. Services report being increasingly exhausted over recent years due to heightened relentless caseloads in the face of repeated natural disasters, COVID-19, and the ongoing housing and cost of living crises, with valued and experienced staff leaving due to burnout and local housing shortages, which not only impact staff personally but pose insurmountable burdens in their work when supporting clients needing accommodation.

Services also report considerable difficulties in recruitment to fill vacancies. Due to the nature of contracting arrangements, staff vacancies are often short term and attracting quality, skilled staff into these roles is difficult because of job instability and the lack of available housing.²⁶

These impacts are not isolated to the homelessness services sector. They affect organisations operating across multiple service sectors, including domestic and family violence support, health, financial counselling and emergency relief. The

²⁶ Yfoundations (2022).

recent Everybody's Home Sector Survey²⁷ of community organisations, homelessness services, and social welfare providers supporting individuals impacted by the housing crisis, reinforced reports that the housing crisis is also affecting those providing support. Of greater concern is that this impact is continuing, is more widespread than just the regions, and is on the rise. Nearly all organisational respondents (89%) indicated their staff and volunteers were directly impacted. Many described the difficulty of maintaining morale and preventing burnout. One respondent explained that they are 'losing staff because they themselves cannot afford housing, making it even harder to provide support to clients.'²⁸

In addition, 98% of organisations reported an increased workload over the past 12 months, with 87% experiencing a further surge in demand since December 2024 with workloads impacted by increased casework complexity (76%), longer social housing waitlists (72%) and the inability to provide long-term housing solutions.²⁹ What this shows is a broader service system (that includes and intersects with the homelessness services sector) under considerable strain, with rising costs and lack of affordable housing creating insurmountable barriers for vulnerable people and the workers who support them. Of even greater concern is that the vast majority (98%) of organisations expect demand for their services to continue growing in 2025.³⁰

Services have reported that the numbers of students going through training and education pathways to work in the sector are not enough to meet need. The cohort of new graduates who do come into the workforce need experience and the confidence to help clients with the support they need, and that takes time and staff resources.

While professionalisation is one mechanism for recognising and developing the high-level skills required to work in youth homelessness services, there needs to be some incentive for staff and/or a system to support them to achieve these qualifications. Currently, SHS cover the costs of training existing staff to higher levels without any guarantee they will remain with the employer.

Therefore, funding agreements need to make provision for the cost to service providers of training new and continuing staff, particularly given staff now often require qualifications, and to ensure services (and the sector overall) can hire and

²⁷ Everybody's Home (2025). *Under Pressure: Everybody's Home Sector Survey*.

<https://everybodyshome.com.au/housing-crisis-pushes-frontline-services-to-limit-in-record-summer-surge/>

²⁸ Everybody's Home (2025), p. 5.

²⁹ Everybody's Home (2025), p. 3.

³⁰ Everybody's Home (2025), p. 5.

retain the best people. Support and mechanisms required to support a workforce, particularly workers with lived experience, need to be interrogated and better workforce planning needs to take place.

Training should also be included in the skills training and professional development of those working across other traditionally siloed sectors such as education, community services and mental health to support their understanding of the triggers of homelessness, early identification of clients who may be at risk of homelessness, and the supports to which they can be linked.

Specialist homelessness services still (as in previous years) operate beyond capacity and cannot fully meet the increasing scale and complexity of need due to ongoing insufficient resourcing and the lack of crisis accommodation and exit options. They continue to be under severe funding stress to deliver on ever-increasing demand while struggling to meet rising costs and fund increases to staff wages and entitlements, and other increasing costs. The sector needs stable funding arrangements that reflect the true cost of delivering services.

The current method of applying indexation to funding does not cover the ongoing real and rising costs of providing services, support and accommodation to people experiencing or at risk of homelessness. While the NSW Government covered the difference between its own indexation rate of 3.75% and the commonwealth rate across 100% of grants in 2024-25, the NSW rate did not cover additional costs for superannuation and CPI on the non-salary component of grants. Furthermore, the recent rollout of the Special Liability Insurance Scheme in NSW saw excessive increases in premiums and restrictive coverage, posing a major risk to the financial viability of services and the level of services currently provided.

Where these increased costs are not met through indexation, there is a significant risk that service level capacity will continue to be constrained and/or reduced. Should the same method of calculating indexation continue to be applied annually to funding, the sector will continue to be under pressure to absorb the ongoing real and rising costs of providing services, support and accommodation, perpetuating the cycle of severe funding stress and reduced capacity to deliver on state homelessness priorities, to the detriment of those experiencing or at risk of homelessness.

Sufficient indexation is vital to ensure funding keeps pace with the real costs of homelessness service delivery and to ensure the ongoing provision of essential, life-saving services to all people experiencing and at risk of homelessness, including vulnerable children and young people. Without adequate indexation from both the Australian and state governments to cover increased costs, the

result is further pressure on services. Yfoundations is calling on the NSW Government to review the current method of calculating indexation, factoring in the real wage and non-wage cost increases to service delivery.

Systems, tools and measurements are consistent, accessible and fit for purpose

While Yfoundations supports the need for improved data systems, collection, sharing and reporting we do not support imposing additional accountability and reporting requirements on services. Our member services report that increasing reporting requirements increases the costs for services and the amount of staff time that is taken away from actual client service provision.

We agree that further extensive work must be done by Homes NSW to ensure best practice tools for screening and assessment, but there should be a strong emphasis and focus on streamlining screening, assessment reporting and collection requirements for service providers, and developing (in tandem with other relevant NSW Government departments) reporting tools that take into account the various program streams a service provides, their accompanying reporting requirements, and how these can best be combined and streamlined. The agency should also establish exactly what outcomes frameworks, measures and evidence bases are required to evaluate and improve homelessness programs and design so these can be built into the system.

Development of such tools should also be done after consultation with the sector, taking into account the impact of current systems on their screening, assessment and reporting, and their need for more efficient reporting methods while ensuring better outcomes for clients. Rolling these tools out to the sector should only occur after both the agency and service providers have thoroughly tested the tools to ensure they enable seamless implementation of a streamlined screening, assessment and reporting system.

Another area of difficulty that Yfoundations and many researchers and service providers recognise and are frustrated by on a regular basis, particularly in our research and development of data-driven policy and responses on child and youth homelessness, is the inconsistency or lack of uniformity of age groupings in demographic data collection and publication among government departments, and across the Australian Bureau of Statistics (ABS) and Australian Institute of Health and Welfare (AIHW) data.

For example, key cohort age groupings for children and young people in the ABS 2021 Census homelessness data releases are: under 12 years, 12-18 years, and 19-24 years. The ABS Census Population data is more differentiated but related groupings are 10-14 years, 15-19 years and 20-24 years. The relevant AIHW SHS Annual Report data age groupings are 10-14 years, 15-17 years and 18-24 years. Nationally at policy level, we define children as any person under 18 years old, with young people defined as any person 18-24 years old. However, at a state and territory government level, the definitions differ. For example, in NSW we use the definition of 16 years and under to define children, with young people defined as between the ages of 16-24 years.

Services do not have access to highly skilled technicians and statisticians who can decipher the various data systems and break down the data for more meaningful and detailed analysis.

Given the collection and availability of data by age group breakdowns differ according to the definitions adopted by states and territories, and given this also impacts policies and practices addressing issues highlighted by this data, we flag the need for consistency in age group data collection/availability and definitions of children and young people across both national and state/territory data collection. Yfoundations calls on the NSW Government to take this into consideration in any overhaul of state data collection systems and to amplify these calls to the Australian Government and relevant agencies.

Strategy focus areas

Yfoundations is looking forward to working closely with Homes NSW on the development of the Action Plan for Child and Youth Homelessness (the Action Plan) and the opportunity to further flesh out the detail on how to make child and youth homelessness rare, brief and not repeated. With this in mind, the focus of our feedback in this part of the submission will be on those areas where we believe another approach to or stronger focus on child and youth homelessness may be required to achieve this.

Outcome One: Wherever possible, homelessness is prevented from happening in the first place, making it rare.

1.1: People can get and keep a safe and affordable home.

Access to a range of appropriate affordable housing is fundamental to an effective service system response to unaccompanied children and young people experiencing homelessness. There is not enough youth-specific supported housing to enable rapid rehousing responses when homelessness does occur and to prevent young people falling back into homelessness.

We note the focus in this part of the Draft Strategy is on increasing the supply of a range of quality accessible and appropriate housing types in NSW, including social, affordable and key worker housing. This is consistent and must be read in conjunction with the recent Homes NSW Discussion Paper, which promotes the NSW Government's commitment to build 8,400 new social homes over the next four years to increase the supply of social homes. This must also be read in conjunction with NSW Homes' admission that even with the levels of funding from the NSW Government and investment from the Australian Government, 'the new homes we build will not meet existing levels of demand, let alone anticipated future demand.'³¹

While investments like this and the Australian Government's announcement of \$1 billion under the National Housing Infrastructure Facility for crisis and transitional accommodation for young people and for women and children escaping domestic violence are welcome, they fall significantly short of the level of investment required for the development of a diversity of youth housing models that are best suited to address youth homelessness.

³¹ Homes NSW (2024). *Homes NSW Discussion paper*, p.11.

The proposed stages and projected timing of the completion and transition to the new social homes in NSW are overshadowed by the significant increase in the number of households on the social housing waiting list during the second half of 2024 – sitting at 63,260 households as at 31 December 2024 (an increase of almost 7,000 households since the end of June 2024) – and will do little to cover demand, particularly given more than 10,870 priority approved households are on that waiting list.³² It is to be noted that, alarmingly, during the time of writing this submission, more than 1,000 households have joined the waiting list, bringing the total to 64,280 households waiting for social housing as at 31 January 2025.³³ Alongside this, housing construction growth remains persistently slow. The Productivity Commission reported that in 2023–24, ‘about 176,000 new dwellings were constructed, well below the National Housing Accord target and the decade average of about 192,000 dwellings’.³⁴

Traditionally, social housing has not been a housing option for young people exiting supported youth accommodation due to the priority focus on other cohorts as well as other barriers, for example, concerns that a 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, and the very low income-based social housing rents that could be provided by a young person on Youth Allowance, which may not be considered by social housing providers to be adequate to cover the operational costs of providing the housing. Young people experiencing homelessness and presenting for housing assistance at an SHS, 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. In 2023, only 2.4% of social housing (across public and community housing) head tenants were aged 15–24 years.³⁵

Specialist homelessness service providers know they will only rarely, and with much advocacy, be able to support a young person to access a social housing home. With rental payments set at 25% of income, young people on income support pay less than all other tenants, which decreases their attractiveness as tenants. A dedicated youth rental subsidy for targeted youth housing would enable the allocation and development of more properties that are affordable for young people while sustaining the financial viability of the social housing provider.

³² NSW Department of Communities and Justice (2025). Social housing applicant households on the NSW Housing Register, retrieved from <https://dcj.nsw.gov.au/about-us/families-and-communities-statistics/social-housing-waiting-list-data.html> February 2025.

³³ NSW Department of Communities and Justice (2025). Social housing applicant households on the NSW Housing Register.

³⁴ Productivity Commission 2025, *Housing construction productivity: Can we fix it? Research paper*, Canberra, p. 9. <https://www.pc.gov.au/research/completed/housing-construction/housing-construction.pdf>

³⁵ AIHW (2024). *Housing Assistance in Australia 2024*.

Yfoundations recognises that social housing in its current form is an appropriate option for some young people, and advocates for targets to quarantine social housing for young people to be included in the new social housing builds. Young people who would significantly benefit from access to long-term social housing with accompanying supports includes those managing complex needs, a long-term mental health diagnosis or living with disability. These cohorts of young people should be given a priority housing allocation category for social housing with an ongoing partnership arrangement put in place to support smooth transitions from SHS support to sustainably living in social housing.

We also need to adequately fund and quarantine social and affordable housing to provide long-term solutions for other young people, including those leaving youth justice settings and out-of-home care. However, the most significant barrier, the lack of social housing stock, remains and will likely be a significant barrier for many years to come.

At the same time, while Yfoundations believes the increase of social housing stock is crucial to providing solutions to address homelessness, we do not advocate an increase of permanent social housing stock as the panacea to addressing youth homelessness in NSW. Many young people who are supported through the homelessness service system do not require permanent social housing as a long-term housing option. Where, through age-appropriate transitional housing models, they are supported to enter the workforce, young people can build the capacity to cover private rental market costs in shared housing and, in some circumstances, affordable rental housing (although they are often under housing stress). However, the current inaccessibility of the private rental market and limited supply of affordable housing impact the longer-term success of young people who have experienced homelessness to transition sustainably to independence and not experience homelessness again later in life. These young people would benefit from access to social housing for a medium-term/transitional period while they study or finish an apprenticeship as they are unable to rely on their families to support them during this period.

A review of current policy settings for social housing to factor in changes that could better support young people to sustainably transition to living independently would be beneficial in reshaping the current social housing system and ensuring a more flexible and innovative approach to social housing supply that better meets the needs of young people experiencing homelessness. This would contribute to reducing the number of these young people who then go on to experience homelessness as an adult, often multiple times.

The current focus of the NSW Government on addressing the housing crisis by increasing social housing stock highlights the need for a more flexible and innovative approach to social housing stock and models of social housing that will increase the supply of developmentally-appropriate medium-term and transitional housing for young people until long-term housing options are available and/or accessible in either the affordable housing or private rental markets. This approach would increase exit options for young people in crisis accommodation while also reducing the demand for permanent social housing in the immediate and longer terms.

To this end, Yfoundations advocates for the need to diversify what constitutes social housing for young people, to achieve better outcomes for young people experiencing homelessness and drive down the demand for permanent social housing over time. The chronic under-funding of the SHS sector, the 50% turn away rate for young people presenting alone seeking crisis accommodation³⁶ and limited access to transitional accommodation for young people seeking assistance from the sector, point to the need for substantial new investment in these areas.

Yfoundations advocates for a strong focus on the planning and delivery of innovative youth supported medium-term and transitional housing models to address the absence of such models across NSW, particularly across country and regional areas. Investment in youth-specific medium-term and transitional housing with appropriate supports as part of the social housing system would enable most young people to develop the life skills required for a life outside of the long-term social housing system, thereby helping to solve the issues around the gap between social housing supply and demand.

These models are discussed in more detail from page 51.

Echoing the collective wisdom and expertise of our lived experience group, the Yfoundations Youth Homelessness Representative Council (YHRC) on what constitutes a 'home' for young people who have experienced homelessness, permanent tenure is not a requirement to establish a home for most young people.

The development of the Child and Youth Homelessness Action Plan can provide the appropriate framework for reviewing the need for different supported housing

³⁶ Australian Institute of Health and Welfare (2024). *Specialist homelessness services annual report 2023-24*. Cat. no: HOU 339. AIHW, Australian Government. <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/young-people-presenting-alone>

models at a local and regional level to inform a state investment program. This would allow for the knowledge of youth SHS and the perspectives of community housing providers, other support services and government agencies to inform what type and level of investment are required. It would allow for the comprehensive development of a state investment program for youth supported housing that covers:

- analysis of need
- type of supported housing models required
- best location/s
- priorities for investment over time.

As discussed above, the very low incomes of many young people, both in terms of income support payments and low and/or casual youth wages, substantially restrict their capacity to access suitable housing in the private rental market as well as their access to social housing. Along with a review of policy settings for more flexible and innovative models of social housing provision to better support young people, a review of policy settings for social and affordable rental housing is also necessary to determine if there is capacity to adopt an adjusted rent setting approach to a rate affordable for young people on low incomes, such as those who are studying, on apprenticeships or in early career roles. This would open an increased supply of rental options to young people struggling to access private rental accommodation that they can afford, and potentially provide more immediate longer-term solutions than would be provided by being on a waiting list for social housing.

In addition, the policy settings for a range of private rental products and supports provided at the state government level would also benefit from review to ensure the levels of subsidy or funding are sufficient to cover the cost of private rental market tenancies given significant price increases, and the program design is attractive to private landlords. This is particularly important for products that aim to support young people to access the private rental market as young people are most often discriminated against because of their lack of rental history, more so in today's rental climate.

Offering subsidies and products to support people to remain in or enter the private rental market is an effective strategy for only some young people. Rent Choice Youth supports young people between the ages of 16–24 years to access housing options in the private rental market, pays a portion of their rent for 36 months and refers them to education and employment supports to assist them to become financially independent. This is a good option for some young people but

for many the timeframe is unrealistic and the expectation that even if employed they will be able to afford to maintain their housing in the private market without a subsidy is unrealistic. We propose an extension of the timeframe for this program beyond the current 36-month cut-off period with appropriate follow up to ensure the young person is able to sustain a tenancy in the longer term without the need for a subsidy.

1.2: People at risk of homelessness are identified early and linked with the right supports.

As detailed below, there are multiple drivers of child and youth homelessness that require a multi-systemic response focused on early identification and intervention across the range of service systems that children and young people are engaged with. Waiting until they are homeless is a counter-productive approach when closing the gaps between service systems would prevent children and young people becoming homeless in the first place

The ideal service system to prevent, respond to and exit unaccompanied children and young people at risk of or experiencing homelessness relies on services that sit within the youth homelessness sector as well as services/systems that are beyond the realm of the youth homelessness sector. Success in identifying at-risk children and young people includes acknowledging and addressing all the drivers of child and youth homelessness and will only be achieved if all mainstream services and sectors are playing their part to prevent children and young people falling into homelessness.

The triggers that escalate children and young people into homelessness include 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 DFV 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 potentially dangerous.

Major investment in a range of prevention measures and initiatives is required to realise the aspiration to make child and youth homelessness rare and, therefore, reduce the overall rate of homelessness over time. However, we reiterate our concerns outlined previously that this cannot be done at the expense of investment into crisis-driven responses, nor should it prohibit increased investment into crisis responses.

Early identification of and intervention into youth homelessness in Australia has been largely dominated by the federally-funded Reconnect Program which has a focus on early identification by 'first to know agencies' such as schools, and family-based interventions to maintain at-risk young people in the family home where safe and appropriate. This program has been operating for over 20 years, has been consistently evaluated as effective in reducing youth homelessness, improving young clients' understanding of how to access support; relationships with family; engagement with education, training, employment and community; and housing situations.

The Australian Government places significant emphasis on Reconnect when talking about youth homelessness. However, the benefits for children and young people have been assessed as providing different short-term outcomes, and the program itself is reliant on other service systems to achieve its outcomes.³⁷ While Reconnect is a vital early intervention service, it caters to a limited cohort of children and young people and is largely inaccessible to those advocated for in this submission for the following reasons:

- It is an early intervention and prevention response that does not respond to children and young people who are already experiencing homelessness, albeit mostly hidden (i.e. couch surfing, returning to violence, and living in severely overcrowded housing), and those who are sleeping rough or are in crisis accommodation.
- It only caters to children and young people aged 12-18 years (or 12-21 years in the case of newly arrived young people) and does not cover younger children and young people aged 19-24 years.
- It works with children/young people and their families, and supports people to keep a young person in their home when it is safe to do so. Many of the children and young people we are advocating for are those who end up experiencing homelessness and DFV on their own because they have not felt safe in their home environments.

Service providers that deliver Reconnect believe it should be expanded and developed so it targets cohorts that are currently overlooked by Reconnect and other existing prevention and early intervention programs. They have also indicated that as repeat homelessness is more likely for children and young people who have experienced homelessness, identification and prevention programs must include those cohorts and be equipped to provide consistent follow up over an extended period to prevent repeat homelessness.

³⁷ Nous Group (2024), p. 14.

Other providers have expressed their frustration over very effective programs that are funded on a trial basis or under innovation funding programs for which there is no continued funding available post-trial. This creates (or perpetuates) scepticism within the service sector about government commitment to innovation, new approaches to address homelessness and/or the drivers of homelessness, and its continued support for innovative programs. Most importantly, it creates anxiety, disillusionment and a sense of hopelessness for those who have participated in and are benefiting from those programs only to find the development and support they were provided can no longer continue, leaving them with no other avenues for obtaining that support.

This speaks to the need for government to be more forward thinking about its approach to innovation and change, and how to resource successful models on an ongoing basis to support at-risk people and communities. This includes models such as the Community of Schools and Services (COSS) Model of early intervention (first trialled in Geelong in 2013-16 and later funded under the NSW Homelessness Strategy 2018-2023 Universal Screening and Support Pilot Program) - an innovative, place-based collective impact model for the prevention of youth homelessness that warrants consideration for support and implementation in communities that have indicated it would best suit their needs.

Using population screening in secondary schools to identify young people at risk of homelessness, it addresses and supports vulnerable young people and their families to reduce disengagement from education and early school leaving, and to help where family issues are leading to a crisis that drives the young person into homelessness. The emerging evidence highlights the effectiveness of the COSS Model in reducing the risk of homelessness for students in the identified at-risk cohort and reducing the flow of identified at-risk young people into the local homelessness service system.³⁸

Again, while this model does not address older cohorts of young people (19-24 years) and those who are not still in school and in a family setting, it is a place-based collective impact model of players from different sectors that reorganises the local support system available to vulnerable young people and their families³⁹ - a model that could be adapted to other institutional settings/service systems to prevent child and youth homelessness and that could also serve as a proven model for joining-up services in a disciplined form of collective impact where appropriate.

³⁸ MacKenzie, D., Hand, T., & Gill, P. (2024). The 'Community of Schools and Services' (COSS) Model of Early Intervention: A System-Changing Innovation for the Prevention of Youth Homelessness. *Youth* 2024, 4, 1305-1321. <https://doi.org/10.3390/youth4030082>

³⁹ MacKenzie, D., Hand, T., & Gill, P. (2024), p. 1307.

Yfoundations would support the expansion of innovative and successful prevention models under distinct, interdepartmental funding streams and programs to resource prevention given the outcomes will also positively impact areas other than entry into homelessness (e.g. school retention, health benefits, community connection, etc.). This may incentivise the development of a mechanism by which government departments can ensure mainstream services within their remit are working together and with other mainstream service sectors, and implementing coordinated prevention measures with not-for-profit service sectors (including SHS) to stop children and young people falling through a multitude of cracks.

Systemic drivers of child and youth homelessness

There are failures across the mainstream service system spectrum that have been identified as drivers of child and youth homelessness. These are points at which children and young people can be identified early and linked with the right supports. One such system that would prevent them falling into homelessness if properly resourced and reformed is child protection. Unaccompanied children who are not currently supported by state child protection systems are turning up to SHS seeking assistance. Despite there being legislation for the state to provide temporary or long-term care for children at risk of harm, children's experiences of unaccompanied homelessness often may not, in practice, meet the high threshold to trigger child protection involvement.

While child protection services nationally are responsible for responding to children at risk, these services respond to children whose abuse or neglect is being investigated or legally evidenced and successfully prosecuted.⁴⁰ Investigative effort is often focused on the youngest children at risk, with children over 10 years of age commonly falling through the gaps. (The insidious and secretive nature of child abuse may also delay child protection involvement until children develop the skills (and feel safe enough) to self-report, usually when they are much older.) Most often, these children have experienced significant trauma and neglect. Where systems fail to identify or adequately respond to children and young people at risk, those young people often end up in the youth homelessness service system. That outcome would be prevented if the systems worked more effectively.

One of our member agencies that provides a range of services and accommodation options for children and young people experiencing

⁴⁰ Robinson, C. (2023a). Ending Unaccompanied Youth Homelessness in Australia, *Parity*, Vol 36 No 2, pp 59-62.

homelessness across southern NSW has told us the department is 'reluctant to place children in residential out-of-home care, even when it is the most appropriate option. This leads to a situation where children over the age of 12, who are difficult to place in foster care, may be unable to obtain an appropriate child protection response.'

The absence of effective guardianship provided by family or the State exacerbates the precarious situation of unaccompanied children and complicates effective responses. Many children who leave a home where they are unsafe but do not meet the practised threshold for child protection involvement usually end up couch surfing with extended family, friends and acquaintances, or accessing youth homelessness services. They may also sleep rough. According to Dr Catherine Robinson, University of Tasmania, 'These children consistently go to homelessness services because they're easier to access than child protection services.'⁴¹

What is also concerning is the number of children on a care and protection order (CPO) who are accessing SHS to flee unsafe situations in the child protection system. The AIHW SHS 2023-24 data reports that of the 8,285 children on a CPO who accessed SHS across Australia last year, almost 60% (4,773) were under 10 years of age, 21% (1,746) were 10-14 years, and 21% (1,766) were 15-17 years. More than one-third were Indigenous.⁴² Pathways into homelessness for children on care and protection orders are complex. Children who present alone may have left their home due to family violence, abuse or neglect. Children may also seek support from SHS agencies with their carers.

Severe overcrowding, another prevalent form of homelessness that children and young people experience, puts them at high risk of negative impacts on their physical and mental health, and developmental and educational outcomes. It can also increase the likelihood of family conflict and tenancy dissolution, both drivers of youth homelessness. The 2021 Census data reveals that 50% of those experiencing severe overcrowding are aged under 25 years, up from 45% in the 2016 Census. Under 12-year-olds and 19-24-year-olds make up the second and third highest age brackets respectively, across all age groups, living in severely overcrowded dwellings.⁴³ These are areas in which health, schools and educational institutions may be able to identify children and young people living in severely overcrowded accommodation and provide the necessary supports to alleviate some of the stressors that impact their development. At this stage, the

⁴¹ Robinson, C. (2023). 'Yes, we see you. Why a national plan for homelessness must make thousands of children on their own a priority', *The Conversation*.

⁴² AIHW (2024). Data tables: Specialist Homelessness Services Annual Report 2023-24.

⁴³ Australian Bureau of Statistics (2023). *Estimating Homelessness: 2021 Census*, ABS, Canberra. <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release>

most obvious solution – the provision of safe and affordable housing – would be likely out of reach.

The relationship between young people experiencing homelessness and incarceration is bi-directional; homelessness can increase the risk of incarceration, and incarceration can increase the risk of homelessness.⁴⁴ This relationship is due to intersectional risk factors, namely experiences with DFV, mental ill-health, alcohol and other drug use, and negative peer associations. Any experience with these risk factors can increase a young person’s likelihood of experiencing both homelessness and incarceration. Hundreds of unsentenced adolescents are detained annually in NSW due to their homelessness status.⁴⁵ This is particularly true for those who have experienced or are using domestic and family violence.

Young people exiting youth justice settings are vulnerable to cycles of homelessness and detention. They are more likely to experience homelessness upon leaving youth justice settings due to difficulty securing accommodation and loss of family and/or social supports. In 2023–24, 1,343 children and young people aged 10–24 years exiting custodial arrangements across Australia received support from SHS.⁴⁶

Following an arrest, young people additionally face unique barriers to accessing bail, namely lack of accommodation and/or the absence of a guardian. Section 28 of the Bail Act 2013 (NSW) was implemented to prevent young people from exiting detention into homelessness. The Bail Act stipulates that bail release is dependent on having suitable accommodation, which in turn means that children and young people experiencing homelessness or who are unable to return home while awaiting their court date, end up in detention until their court date. This experience, even if brief, can increase their vulnerability to the factors mentioned above.

There is currently a limited number of youth SHS contracted to work collaboratively with NSW Police under the Bail Accommodation and Support Service (BASS), which supports young people with short-term accommodation (up to 28 days), transport and case management that helps them gain access to bail.⁴⁷ These SHS provide specialist crisis accommodation for these young people and the contracts provide for only a very limited number of beds in NSW across eight

⁴⁴ MacKenzie D., Flatau P., Steen A., & Thielking M. (2016). 'The cost of youth homelessness in Australia – research briefing', *Australia Policy Online*.

⁴⁵ Yfoundations (2021). *Young, in trouble and with nowhere to go: Homeless adolescents' pathways into and out of detention in NSW*, Yfoundations, Sydney NSW.

⁴⁶ AIHW (2024). Data tables: Specialist Homelessness Services Annual Report 2023–24.

⁴⁷ Taylor, A. & Adlidge, J. (2022). 'Locked Up and Locked Out: The Intersections of Youth Justice Violence and Homelessness', *Parity*, Vol 35-10, October 2022, pp14–16.

DCJ districts, including Sydney and Northern Sydney, the Central Coast, Illawarra Shoalhaven, the Nepean Blue Mountains, Western NSW, Mid North Coast, and Northern NSW.⁴⁸

If no accommodation can be procured through the BASS, Bail Coordinators much reach out to other youth SHS to secure a bed. Again, the lack of crisis accommodation for youth SHS options severely limits the capacity of services to accommodate these young people, and the 'lack of funding and resources for youth SHS means most are ill-equipped to deal with clients with high or complex needs or cannot take them on due to risk assessment requirements.'⁴⁹

Addressing the relationships between youth homelessness and youth incarceration requires a holistic approach that addresses the available support services, social security, mental health and AOD services, affordable housing, youth DFV services and policy surrounding youth justice. There is a dire need to address both the pathways into and out of youth justice in any plan to end youth homelessness in this state.

We discuss in more detail further in this submission the issues for children and young people who present alone to SHS experiencing DFV. However, more needs to be done to prevent young women with child(ren) escaping domestic violence from entering into homelessness, particularly given maintaining their tenancy is difficult because of the imperative of escaping the perpetrator of the violence. While they generally need crisis services and protection from the perpetrator, younger women with a child or children may not be the right age for entry to a women's refuge and the fact they have a child or children would mean they would be precluded from staying in youth refuges. They would also have concerns about involvement from child protection agencies. More appropriate and safe housing solutions with the right supports are necessary for this younger cohort of women experiencing DFV.

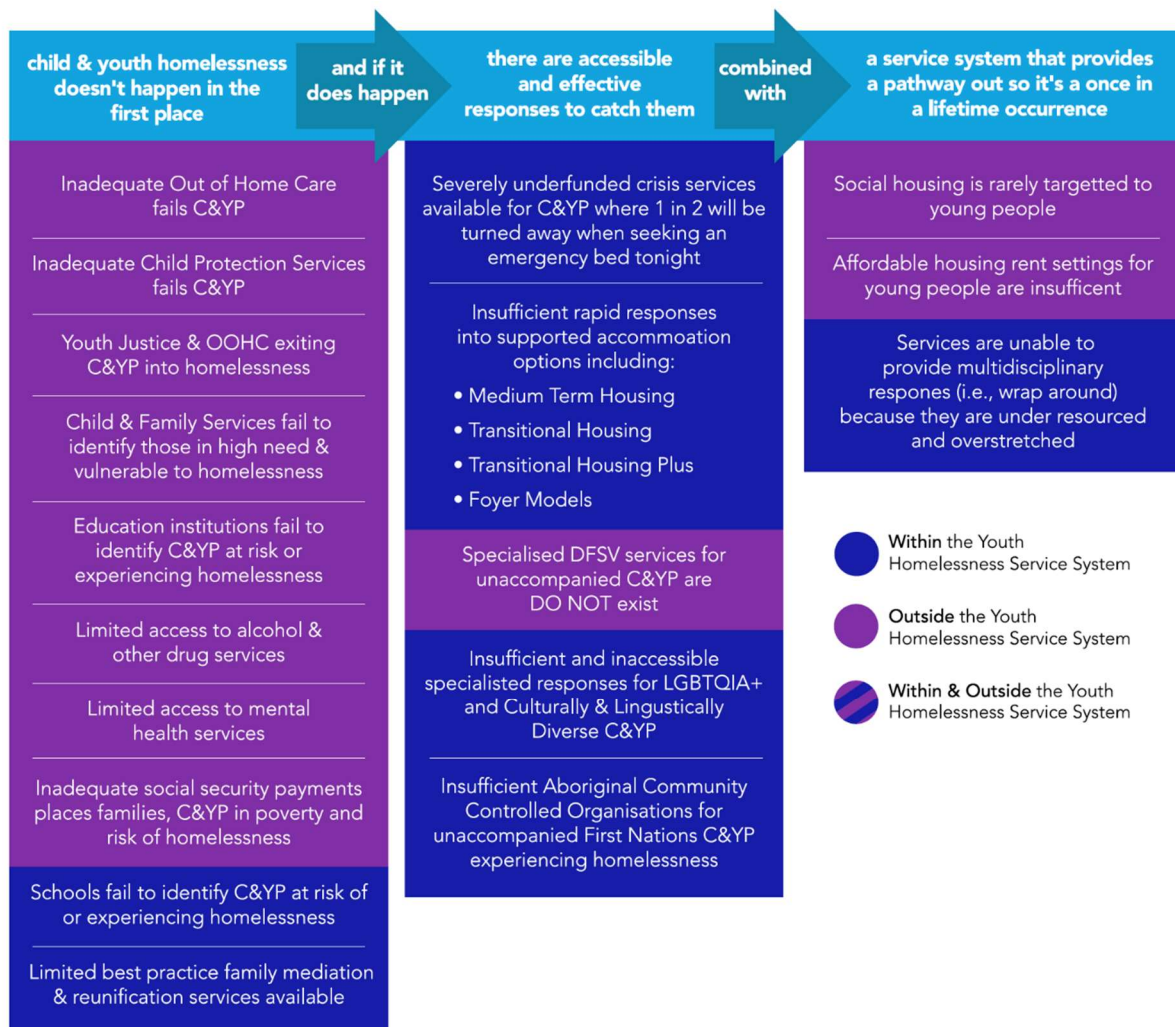
The first column of the following table provides a high-level analysis of the gaps and inadequacies in mainstream service systems that place unaccompanied children and young people at risk of homelessness or cause their homelessness. This highlights critical points where targeted support can prevent children and young people from experiencing homelessness, and opportunities for mainstream government services to identify children and young people at risk and intervene early before they reach crisis.

⁴⁸ Bail Accommodation and Support Service (2025). Retrieved from <https://www.nsw.gov.au/legal-and-justice/youth-justice/programs-and-services/support-services/crisis-accommodation> on 20 February 2025.

⁴⁹ Taylor, A. & Adlidge, J., (2022), p. 16.

Successful and effective early identification and prevention will require a focus on the areas that appear in the first column with coordinated responses at key transition points for children and young people exiting institutional care, youth justice and hospitals.

Table 1: Gaps in the current service system that put unaccompanied children and young people at risk and cause homelessness⁵⁰



⁵⁰ Yfoundations (2023). *Yfoundations Submission: National Housing & Homelessness Plan Issues Paper*, Yfoundations, Sydney NSW, p. 25.

Outcome Two: When homelessness does occur, people are quickly connected to housing and the supports they need.

2.1: People's needs are quickly identified, and they are referred to the right support.

The connection between child and youth homelessness and entrenched adult homelessness highlights the need to break the cycle of homelessness for young people as early and as quickly as possible. Youth SHS provide an essential safety net for children and young people experiencing and at risk of homelessness. With expertise in responding to the developmental and other needs of this cohort, youth SHS provide a range of fundamental services aimed at intervening early to prevent young people becoming homeless, responding effectively to the crisis when a child or young person does become homeless, and supporting young people in their journey out of homelessness.

Column 2 in Table 1 above provides a high-level analysis of the gaps in the services system that demonstrates some of the obstacles to ensuring children and young people in the homelessness services system are quickly connected to the right supports and making their homelessness brief.

Unaccompanied children and young people face unique challenges that require specialised interventions, including trauma-informed care, education and employment support, and age-appropriate housing solutions. This support is intensive, person-centred and not a quick fix - it takes time and a well-resourced supported workforce that is equipped to deal with the levels of complexity and diversity of needs of this cohort. Often times, the extent of the impact of trauma on a young person and the kinds of trauma they have experienced are only revealed after a long period of support and trauma-informed care.

Given this, Yfoundations questions whether the focus on tools for screening, assessment and intake; a homelessness registry; and local coordination groups, is the right focus when the issue constantly flagged by the sector and in research and data on homelessness is that the right supports are either not there, not available or in severely short supply. We have already discussed some of the limitations with this focus in our feedback on the related guiding principles from page 22 and will address the Homelessness Registry further below.

The capacity of the homelessness services sector to quickly identify clients' needs and connect them to the housing and supports they need is also contingent on reducing the flow of people presenting at crisis services (i.e. through effective

early identification and prevention measures) and the availability of appropriate youth supported housing options providing suitable exit points from crisis services right across the state. For all clients, including young people, those who are able to move into and sustain private rental housing with support should do so. For those who are more vulnerable and have higher and more complex needs, sufficient and appropriate supported housing options are required to provide for the demand from clients leaving crisis services. Investment in medium term and transitional housing options for young people will reduce the demand for long-term and permanent supported housing.

As already stated, specialist homelessness services are experiencing a surge in demand and current inadequate resourcing of these services and lack of exit options are resulting in approximately 50% of young people, nationally, being turned away from crisis accommodation services. In 2023-24, around 13,200 or 20% of all people seeking accommodation and assistance from SHS in NSW were children and young people aged 15-24 years presenting alone. Another 1,200 were children aged 10-14 years presenting alone to an SHS, with almost half needing housing assistance.⁵¹ The only targeted response for children aged 12-15 years in NSW is the Homelessness Youth Assistance Program (HYAP), which can provide - depending on the services offered by the youth SHS - a crisis bed for a few nights, respite and family reunification services.

Youth homelessness services are inappropriate environments for children due to the age and developmental differences between them and other clients in the service. However, unaccompanied children do present, which is often the outcome of a lack of care and effective guardianship in their lives. Youth SHS are underfunded, overstretched and cannot meet demand but many Yfoundations' members and stakeholders report they often feel pressured to take in children because there is nowhere else for them to go.

In NSW, unaccompanied children and young people are more likely than all other SHS clients to be engaged in couch surfing, the impacts of which include psychological distress, substance misuse, social isolation, barriers to employment and education, violence and conflict. The statistics, as limited as they are, paint an alarming picture of the experience for children and young people at risk of and experiencing homelessness in NSW. Even when they know where and how to seek assistance, that assistance is simply not available for a significant proportion of those in need. A turnaway rate of 50% points to the urgent need for additional investment into SHS and HYAP services.

⁵¹ Australian Institute of Health & Welfare (2024). *Specialist Homelessness Services (SHS) Collection (SHSC) data cubes 2023-24*. AIHW, Canberra.

By increasing funding and allocating a proportional share to youth SHS and HYAP services, the NSW Government can build the capacity of, and better equip, service providers to address the needs of these vulnerable groups, reduce homelessness among children and young people, and support them in achieving long-term stability and independence. Yfoundations advocates that this additional investment should be at least 50% over a two-year period as a starting point, with the inclusion of a proportionate, targeted increased investment of 50% specifically for youth-focused SHS and HYAP providers to address the level of unmet need of children and young people seeking support.

On the idea of a Homelessness Registry so services can work better together to meet people's needs, the Draft Strategy lacks clarity on what exactly is being proposed and raises many questions: how is this different from the By Name List (BNL); how will Homes NSW be accountable for this; how/will this be designed/co-designed; and how is it envisaged this would work for children and young people whose pathways into and out of homelessness are often different to that of adults?

Many of our members have expressed concern about the appropriateness of a Homelessness Registry, referring to the BNL that has been used to capture information about and track the homelessness journey of people sleeping rough, and questioning how the proposed Homelessness Registry might be different, if at all. We are advised that the use of the BNL was not well taken up by many rough sleepers in southern NSW, will only serve to prioritise those who voluntarily give permission for their information to be collected, and further stigmatises homelessness. The focus on rough sleeping does not respond to child and youth homelessness, which is predominantly experienced in severely overcrowded dwellings and as couch surfing.

A Homelessness Registry, if based on a BNL or similar system list, would be ineffective and inappropriate in identifying or tracking the journey of children and young people who are experiencing homelessness or at risk as they are often hidden, staying with friends or other family members (i.e. couch surfing), or escaping family and domestic violence. Those escaping violence or under precarious visa arrangements may not wish to be placed on such a registry.

It is also unclear how it is proposed this would differ from or enhance current screening and assessment tools like CIMS where, with a client's informed consent, information can be shared between service providers so a client does not have to retell their story if they are moving between providers.

2.2: People get safe crisis accommodation with appropriate support when they need it.

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 experiencing homelessness, and providing and connecting them to the supports they require to enable them to transition to longer-term housing suitable to their needs, including family supports where appropriate.

The perspective of the Yfoundations Youth Homelessness Representative Council on crisis accommodation is that it is a critical first step in the transition from homelessness to independence: '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.'

It 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 [of] 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.'⁵²

Crisis accommodation must be viewed as a fundamental component of the accommodation and housing continuum required by children and young people experiencing homelessness. Crisis services should provide the intake point for children and young people to a service system well equipped to respond to their needs. However, the lack of exit points into appropriate youth housing solutions often results in this cohort becoming stuck in the crisis system or in repeated refuge hopping, thereby limiting the availability of services where and when they are most needed. (We discuss appropriate youth supported housing models in detail further in this submission.)

⁵² Yfoundations (2024). *Yfoundations Position on Youth Housing Models Background Paper (October 2024)*, Yfoundations, Sydney NSW, pp. 14-15. <https://www.yfoundations.org.au/resources/Policy-Papers/yfoundations-background-paper-youth-housing-models/>

The high turn-away rate of children and young people from SHS crisis accommodation is also 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 and leads to dislocation from local communities, further entrenching the experience of homelessness for children and young people from those locations.

Children and young people are under-represented in the population accessing the Temporary Accommodation (TA) Program, the other part of the 'safety net' designed to capture people when they become homeless. This is particularly the case for 16-18-year-olds who represent only 3% of the population accessing TA. Alongside this, recent TA reform with the introduction of co-payments results in further barriers for an already unrepresented group needing this housing product.

Notwithstanding the opportunities that may or may not arise from the reform of TA 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 safe, high quality crisis accommodation (complying with the National Principles for Child Safe Organisations) in the communities in which it is most needed, to prevent young people becoming further dislocated from the systems and supports critical to resolving their homelessness.

The current housing and rental crises have resulted in a scarcity of exit options for young people receiving HYAP and/or SHS accommodation, with many being stuck in a 'crisis circuit', moving from one short-term temporary accommodation provider to another. In 2023-2024, of the 4,291 young people experiencing homelessness who began their support with an SHS in short-term temporary accommodation, 1,972 (45.96%) ended their support in short-term temporary accommodation, indicating little progress in their housing circumstances.

While having an adequate safety net of crisis accommodation services for young people is an essential first step, without appropriate housing options to move onto young people will remain stuck in homelessness and be more likely to become the rough sleepers of the future.

Yfoundations welcomes investments like the roll-out of additional funding under the National Housing Infrastructure Facility (NHIF) for crisis and transitional

accommodation targeted to young people, and women and children escaping domestic violence. There is significant potential for the NHIF to begin the process of reversing the shortfall in crisis and transitional accommodation for young people as an essential component of a state action plan for child and youth homelessness and housing. However, there is a need to ensure the crucial support component of crisis and transitional accommodation for young people is included as an eligibility component in project proposals for this funding and that this support is funded under the NHIF to ensure the effective utilisation of these resources. There is also a need to ensure the roll-out of additional funding for crisis and transitional accommodation targeted to young people is sustainable on a state level and that appropriate levels of funding will continue to be provided so that this roll-out does not become subject to 'roll-back', leaving services to cover funding shortfalls to sustain this accommodation.

The three focus areas in Outcome 2 refer to the 'right support' and 'appropriate support' and 'tailored support' respectively. Yfoundations has long called for the youth SHS sector to be funded to enable provision of specialised responses to children and young people experiencing domestic and family violence (DFV). The continuing lack of public discourse and service responses, and the absence of policy and funding to respond to DFV for unaccompanied children and young people ignores the scale of DFV-related homelessness among children and young people, and undermines the efforts of youth SHS providers who work hard to address it. Of the 38,600 children and young people nationally aged 15–24 years who presented alone to an SHS in 2023–24, DFV was still the second highest main reason (13.9%) for presenting after housing crisis.⁵³

The exposure of children and young people to DFV is often understood to be their experience of witnessing violence from a male parent to female parent. However, the experience of young people experiencing DFV 'in their own right' as victim survivors is often invisible to the DFV service system and not addressed in the available support and responses. The impact of the trauma of these experiences can result in violent behaviours, and the trauma responses from young people can also go unrecognised. The impact of these experiences can also manifest in young people who have been exposed to DFV then going on to experience DFV in their own intimate personal relationships.

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

⁵³ AIHW (2024). *Data tables: Specialist Homelessness Services Annual Report 2023–24*.

to sleep rough. The combination of no 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.⁵⁴ Those who do leave will often turn to support from youth SHS that are not appropriately resourced to support them.

A Yfoundations' member organisation described a situation in which a 15-year-old young woman with a one-year-old baby sought crisis accommodation in their youth refuge because of DFV. However, they couldn't accommodate her in their refuge because of the baby and they were not able to refer her to a women's refuge because of her age. The only option was to place her in a hotel and provide 24-hour support to ensure she and the baby were safe. This is just one of many such situations confronting youth SHS, which are not funded anywhere near the required amount to provide these intensive responses; however, they do it because they know there is nowhere for a 15-year-old and her baby to go except back to a violent home or on the streets.

Children and young people experiencing DFV are unlikely to access or seek out a DFV service. This is attributed to the complete absence of youth-specific DFV services, children and young people not being eligible for adult DFV services, and the fear of the consequences and potential involvement of child protection services. This results in children and young people staying with friends – i.e. couch surfing – to avoid conflict at home or presenting to an SHS provider reporting a range of other issues such as mental health as opposed to DFV. Consequently, while frontline SHS providers advise that DFV is most likely to be the reason why 90–100% of unaccompanied children and young people turn up to them for support, the AIHW SHS data does not reflect the extent of the issue of DFV for unaccompanied children and young people.

Given the prevalence of DFV and until such time as state-wide DFV Plans and services recognise and address this need, the NSW Government must adequately fund youth SHS to provide intensive, specialised responses for unaccompanied children and young people experiencing DFV, also taking into account the diverse needs of the diverse range of young people in this situation, for example, Aboriginal young people, young people from culturally and linguistically diverse backgrounds, LGBTQIA+ young people, etc. Yfoundations has called for an investment by the state government to effectively address this driver of child and

⁵⁴ 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.

youth homelessness and more work needs to be done to ensure the effects of DFV on children and young people are clearly understood.⁵⁵

Put simply, making child and youth homelessness rare, brief and non-recurring in NSW requires an increased investment into youth SHS and HYAP, as well as appropriate responses (e.g. DFV responses) and housing solutions. Without this investment, young people will continue to unnecessarily fall into and become entrenched in homelessness, and the rate of child and youth homelessness, and, therefore, homelessness overall, will remain unacceptably high in NSW.

Research consistently shows that preventing youth homelessness leads to improved outcomes, including higher rates of educational attainment, stable employment and community connection, all of which are key protective factors against adult homelessness. This targeted investment will not only change individual trajectories but also reduce the long-term social and economic costs associated with homelessness, benefiting society as a whole.

2.3: People are supported out of homelessness into longer-term housing with tailored support.

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

Notwithstanding that the ABS accepts youth couch surfing is undercounted,⁵⁶ in the 2021 census 23% of all people experiencing homelessness were aged 12–24 years. In 2023–24, around 50% of the young people who sought assistance from an SHS were turned away due to the shortage of funds and resources. Of those who are able to access crisis accommodation, only 25% are able to move onto medium-term or transitional housing, while only 4.3% are able to source long-term housing.

The authors of the Ernst and Young evaluation of SHS program in NSW noted that ‘there appears to be minimal availability of dedicated SHS youth-specific accommodation options, when compared to the growing size of the youth cohort

⁵⁵ Yfoundations (2024). NSW 2025–26 Pre-Budget Submission, Yfoundations Sydney, pp. 10–11. <https://www.yfoundations.org.au/resources/Submissions/yfoundations-2025-2026-nsw-prebudget-submission/>

⁵⁶ Australian Bureau of Statistics (2012). 4922.0 - Information Paper - A Statistical Definition of Homelessness, 2012, FACTSHEET: Youth homelessness, Australian Bureau of Statistics, Canberra. <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4922.0main+features42012>

of clients.⁵⁷ They also noted that many of the SHS clients interviewed for the evaluation were under the age of 18 years and reported needing to travel significant distances from where they had been previously living in order to access appropriate and timely supports. 'Stakeholders also highlighted the importance of provision of wraparound supports for this cohort when transitioning into long-term accommodation.'⁵⁸

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.⁵⁹ 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.⁶⁰

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. As discussed, while the NSW Government investment in more social housing will go some way to relieving the housing crisis (particularly if it leads to investment in the type of housing needed by young people experiencing homelessness), it is insufficient to resolve the current waiting list, let alone provide long-term housing in the future for all children and young people 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.

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 supported housing models that respond to their differing needs, and a focus on rapidly housing them

⁵⁷ Ernst and Young (2023). *Specialist Homelessness Services Program Evaluation*, NSW Department of Communities and Justice, Sydney, Australia, p. 186.

⁵⁸ Ernst and Young (2023).

⁵⁹ Anglicare Australia (2024). *Rental Affordability Snapshot National Report 2024*, Fifteenth Edition. <https://www.anglicare.asn.au/publications/2024-rental-affordability-snapshot/>

⁶⁰ National Housing Supply and Affordability Council (2024). *State of the Housing System 2024*, Commonwealth of Australia, p. 3.

safely with appropriate support. The provision of support that includes a focus on living skills and preparation for independence is an essential component of all housing models for young people.

Access to the continuum of crisis accommodation, medium-term and transitional housing with development-appropriate, person-centred, trauma-informed supports and responses has been proven over many years to effectively enable young people to break the cycle of homelessness. However, at present, there is inadequate investment in medium-term and youth transitional housing across NSW, particularly in rural and regional locations. This inadequate investment, alongside the current housing and rental crises, is exacerbating the existing bottleneck within short-term temporary accommodation provision, increasing the number of young people staying within these services for longer due to the lack of an exit option.

Often children and young people do not 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, for young people, moving into their own independent housing. However, given the inherent vulnerabilities of children and young people, this housing needs to be separate from housing for the adult homeless population.

According to the Yfoundations 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.'⁶¹

As previously discussed, 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 also previously discussed, while 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 HF4Y with all successful youth housing models.

While the NSW Government's investment into more social housing is welcome, it is important to remember that the number of new homes coming online will not significantly deal with the current waiting list for social housing properties

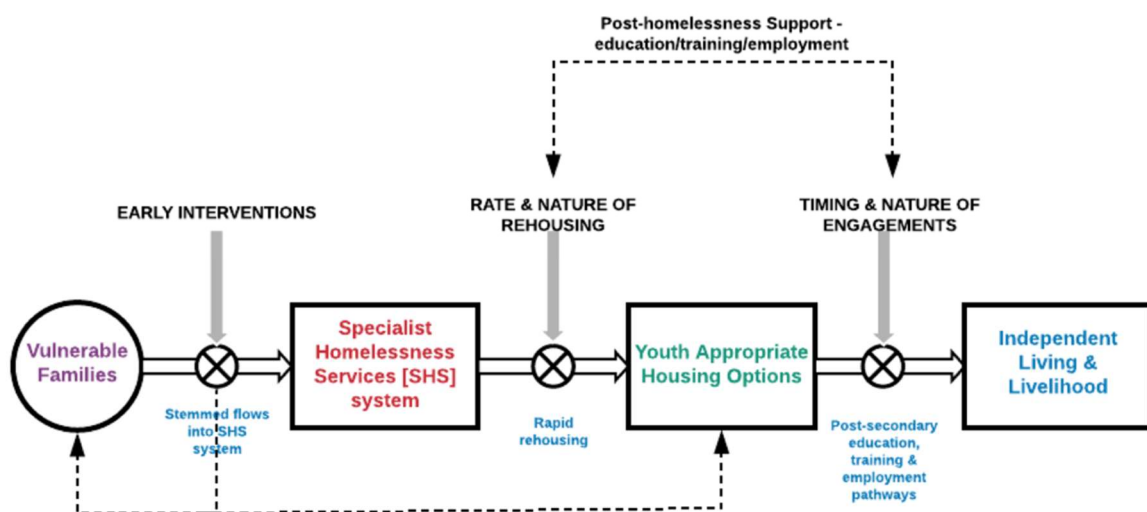
⁶¹ Yfoundations (2024). *Yfoundations Position on Youth Housing Models Background Paper*, p. 11.

(especially considering the rate of increase over the past seven months) let alone respond to the future housing needs of all children and young people experiencing homelessness 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. While 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 possible position 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 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.

Stock and Flow Diagram of the homelessness service system for youth⁶²



Source: Developed by David MacKenzie

For young people in NSW, we have well established youth-specific housing models (outlined in Table 2 below) and support practice frameworks that work to set them up for independent living. We know these models work well where the

⁶² MacKenzie, D., Hand, T., Zufferey, C., McNelis, S., Spinney, A., & Tedmanson, D. (2020). *Redesign of a homelessness service system for young people*, AHURI Final Report 327, Australian Housing and Urban Research Institute Limited, Melbourne, p. 25. <http://www.ahuri.edu.au/research/final-reports/327>

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.

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
- cultural safety and cultural connection, particularly for Aboriginal young people
- health and mental health status
- engagement in education/training
- type and availability of support services
- income level and capacity to participate in employment
- longer-term housing and independent living aims.

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 development and roll-out of both the housing and homelessness strategies in NSW and, most importantly, the NSW Child and Youth Homelessness and Housing Action Plan.

Continuum of accommodation and housing options needed for young people

A number of youth specific housing models currently operate in NSW on different policy settings to support young people with a diverse range of housing and support needs. The key aspects of the continuum of housing models needed by young people to move from homelessness to an independent life free of homelessness are summarised in the following table.

Table 2: Key youth housing models operating in NSW⁶³

Housing model	Crisis		Medium term (or semi-independent)	Transitional		
	Refuge	Self-contained units		Standard	Transitional Housing Plus	Youth Foyers
Eligibility	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'
Age	Varies	16-25 years	Varies, priority for 16-18 years	16-25 years	16-25 years	Varies
Length of tenure	0-3 months*	0-3 months*	12-24 months	Up to 18 months	Up to 5 years	12-24 months
Property type	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
SHS support type	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
Support practice (person centred, trauma informed)	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

While these models provide a range of options to meet young people's needs, again there is not enough overall supply to meet demand and not a diversity of options in all locations in NSW where there is a need.

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

⁶³ Yfoundations (2023). *Yfoundations Submission: National Housing & Homelessness Plan Issues Paper*, p. 33.

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 they need. Unlike crisis accommodation, medium-term accommodation permits young people to reside in the service for 2–3 years while they complete their education or training and develop critical living skills. These medium-term services take into consideration the significant impact of trauma and level of development 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 is 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 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 services⁶⁴ such that there were only five 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, 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 six medium-term housing services in NSW available for young people who have experienced homelessness. These are located only on

⁶⁴ KPMG (2015). *Going Home Staying Home Post Implementation Review: Final Report*, NSW Department of Family and Community Services.

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 most of the state, there is 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.

Transitional housing

Transitional housing comes in a range of forms with the length of tenure ranging from 18 months up to five years, depending on the model and the needs of the client. While transitional housing is offered to young people across the full age-range of 16–24 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 an SHS provider, 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; and a 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, where young people are specifically learning the skills to live independently during their tenure.

Transitional housing is also sporadically spread across the state with many young people in rural and regional locations often left with no option 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 are 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, which is one of the principles underpinning the Draft Strategy and, most likely, the Child and Youth Homelessness Action Plan.

The continuum in action

Yfoundations members 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. Likewise, our Youth Homelessness Representative Council (YHRC) comprises young people with lived experience of youth accommodation and housing models who advocate for and are testament to the success of these models, as demonstrated in the following statement.

‘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.⁶⁵

Given the differing relevance of tenure to most young people, as noted by the YHRC medium-term and transitional housing can and does provide a 'home' for 16-24-year-olds. Accordingly, Yfoundations maintains 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 this is an essential component in enabling young people to sustain tenancies in the medium and longer terms, and preventing them from cycling into and out of homelessness.

Given that medium-term and transitional housing are 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.

Outcome Three: When homelessness does occur, people do not experience multiple episodes of homelessness

3.1: People with complex needs can access comprehensive, longer-term support so they do not experience repeat homelessness.

3.2: People have strong connections to their community that protect against repeat homelessness.

3.3: People have access to housing that meet their changing needs across their lifespan.

Children and young people experiencing homelessness often have complex needs

Of the young people aged 15-24 years presenting alone to SHS in NSW in 2023-24, the data shows that 50% had a current mental health issue, 30% reported experiencing domestic and family violence (DFV) and 14% reported experiencing

⁶⁵ Yfoundations (2024). *Yfoundations Position on Youth Housing Models Background Paper*, p. 11.

problematic drug and alcohol use (AOD). Around 30% of young people presenting alone to SHS also experienced multiple vulnerabilities, for example, DFV and a mental health issue, AOD and a mental health issue, or all three together.⁶⁶

In understanding the prevalence and significance of DFV 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. Youth SHS in NSW have reported to Yfoundations that close to 80-90% of young people entering their services have experienced or are escaping DFV. Melbourne City Mission in Victoria has also reported that almost every single child and young person turning up to their refuges had experienced DFV in some way.⁶⁷ The impact of the trauma of these experiences can result in violent behaviour and other responses from young people that can also go unrecognised.

Children and young people experiencing DFV are also not likely to seek out specifically funded DFV services. As discussed earlier, 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.⁶⁸ This results in children and young people staying with friends – i.e. couch surfing – to avoid conflict at home or presenting to an SHS reporting a range of issues, such as mental health as opposed to DFV.

Having a couch or room to stay in someone else's place does not always mean children or young people are safe. Couch surfing puts children and young people at risk of exploitation, servitude, violence and sexual violence. Sometimes, children and young people can be pressured into criminality to secure that couch to sleep on. Children and young people moving between houses without a stable home are a very vulnerable cohort.

While the research is sparse, that which does exist shows that young couch surfers have disproportionately poor mental health and less connection to professional and community support than children and young people in other homelessness groups.⁶⁹

⁶⁶ AIHW (2024). Specialist Homelessness Services Annual Report 2023-24. Web Report.

⁶⁷ Corrie, T. & Moore, S. (2021). *Amplify: Turning up the volume on young people and family violence*, Research Report, Melbourne City Mission, Melbourne, Australia.

⁶⁸ Corrie, T. and Moore, S. (2021).

⁶⁹ Hail-Jares, K., Vichta-Ohlsen, R., & Nash, C. (2020). 'Safer inside? Comparing the experiences and risks faced by young people who couch-surf and sleep rough', *Journal of Youth Studies*, 24(3), 305-322.

Severe overcrowding, another prevalent form of homelessness that children and young people experience, puts them at high risk of negative impacts on their physical and mental health, developmental and educational outcomes. It can also increase the likelihood of family conflict and tenancy dissolution, both drivers of youth homelessness.

The 2021 Census data reveals that 50% of those experiencing severe overcrowding are aged under 25 years, up from 45% in the 2016 Census. Under 12-year-olds and 19-24-year-olds make up the second and third highest age brackets respectively, across all age groups, living in severely overcrowded dwellings.⁷⁰

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 DFV in the lives of these young people necessitates investment in the associated required expertise and justifies a significant proportion of government investments in preventing and responding to DFV, including accommodation and housing, being prioritised for this cohort.

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

As noted throughout this submission, leaving aside the question of whether it would be desirable, the current environment in NSW is one in where there is not, and nor will there be, adequate permanent social homes to house all young people experiencing homelessness today or into 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 would not be the goal for 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. While 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.

⁷⁰ ABS (2023).

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 who 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.

However, the international and Australian experiences of implementing a Housing First approach demonstrate 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 four-year period but there was no reduction in the rate of youth homelessness.⁷¹

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 while young people were just as likely to sustain a tenancy as adults over the first six months (91%), at the eight-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.⁷² The evaluation of the program found, among other things, that young people required more or different support for the Housing First approach to deliver better outcomes for them.

The establishment and ongoing development of Housing First for Youth (HF4Y) models in Canada and other countries is underpinned by the recognition that 'if Housing First is to work for youth, it must be built on our understanding of the developmental, social and legal needs of young persons.'⁷³ 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 'there is no one single program model for Housing First and that it can take many forms, but the

⁷¹ Youth Affairs Council of Western Australia (2023), p. 8.

⁷² Vallesi, S., Quinn, D. & Wood, L. (2021). *Youth Experiences of Housing First*, University of Western Australia.

⁷³ Gaetz, S. (2014). 'Can Housing First Work for Youth?', *European Journal of Homelessness*, Vol 8, No 2, December 2014, p. 164.

key essentials of any program include access to housing and a range of youth appropriate supports.⁷⁴

As such, the HF4Y 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, while others will need supports for the rest of their lives.
5. Social and community integration - emphasising assistance for young people to integrate and engage in their communities.

In the Australian context, a comprehensive review of the international literature on HF4Y, coupled with the experience of implementing Housing First in WA and consultations with youth workers and other key stakeholders, led to the conclusion that this model 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, while other young people may be better suited to long-term transitional accommodation services.

In addition, the Housing First for Youth 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.'⁷⁵

⁷⁴ Gaetz, S. (2014).

⁷⁵ Youth Affairs Council of Western Australia (2023), p. 10.

Noting that the NSW Homelessness Strategy seeks to embody Housing First principles in policy and practice, it is relevant that perhaps with the exception of the reference to the provision of 'permanent' housing, the above referenced principles of the HF4Y philosophy are largely consistent with the objectives and operating principles of the other models of youth housing considered in this submission. While some young people with complex needs in NSW may benefit from being placed into permanent social housing with the supports they need, it is significant that, with reference to the importance of providing choice, advocates of the HF4Y 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.⁷⁶

While HF4Y has the 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 submission 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, nonetheless, 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 the specific needs of young people who 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 until the age of 25 years would best be provided by youth specialist homelessness services.

As the provision of medium-term and transitional housing are consistent with and integral to the HF4Y 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 HF4Y will require greater investment in the full continuum of housing options for young people, prioritising the models most needed and emphasising diversion from permanent social housing wherever possible.

The transition to independent living provided through medium-term and transitional housing, and the length of that transition, would also enable young people to build strong connections within their communities and equip them with

⁷⁶ Gaetz, S. (2014). p. 166.

the skills to maintain those connections and/or develop and nurture new connections if they move on.

Challenge - 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 (CHPs) limits the scope for different models to be implemented in NSW. While the 2024-25 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 CHPs⁷⁷ 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 CHPs).
- 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 and discussed throughout this submission, 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 of note that young people are generally not allocated social housing under the NSW Housing Pathways prioritisation system given the heavy weighting of priority to older people who have a long-term, permanent housing need. The move to a HF4Y approach for young people will require substantial changes to housing allocation policies in NSW and the operations of housing providers.

⁷⁷ For example, NSW Community Housing Rent Policy, NSW Community Housing Eligibility Policy, NSW Community Housing Access Policy + NSW Housing Pathways policies and procedures.

Challenge - Housing providers are disincentivised to house young people in social and affordable housing

Young people experiencing homelessness and presenting for housing assistance to an SHS, CHP 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 CHPs 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 CHP 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) paid by young people are very low due to the low rate 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 to young people and subsidise their 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 models and the greater number of more complex tenancies associated with the specific needs of young people who 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 CHPs 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 CHPs 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 who has 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 a housing provider would choose the latter. For permanent housing to be made available for this younger cohort, financial incentives are likely to be required along with assurances of a long-term commitment to wrap around support provision.

Challenge - 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.

As reflected in the funding of SHS 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. While the Commonwealth's investment in crisis and transitional housing through the National Housing Infrastructure Fund 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 who may be responded to using a HF4Y 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.

This means CHPs that are not youth SHS will need to partner with youth SHS to ensure the success of new youth housing investments. However, these partnerships should not be forced. It is crucial that mutual partnerships are established based on common purpose, values 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 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.