

**Submission
No 42**

INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING

Organisation: Southern Youth and Family Services Association Incorporated
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Southern Youth and Family Services

SOUTHERN YOUTH AND FAMILY SERVICES (ASSOCIATION INC.)

Youth Accommodation and Housing Services Youth Outreach Support Services Youth Out of Home Care Services
Youth Health Services Youth Employment, Education and Training Services Family Support Services

SubmissionInquirySocialPublicAffordableHousing2014

The Director
Select Committee on Social, Public and Affordable Housing
Parliament House
Macquarie St
SYDNEY NSW 2000

24th February, 2014

Submission: Legislative Council Select Committee on Social, Public and Affordable Housing

Dear Sir/Madam,

Thank you for the opportunity to respond to the Inquiry into Social, Public and Affordable Housing. This submission addresses terms of reference and is structured under the following key issues:

- The need for specific attention to young people's unique characteristics in designing social, public and affordable housing policy
- The inability of the private rental market to respond to young people
- Successful housing and social service integration through the Youth Foyer Model
- The need for transitional housing options for young people and the need to resource specialist youth services in expanding their housing and accommodation stock
- Intervention in housing supply to increase affordability for young people.

Introduction - Southern Youth and Family Services Association Incorporated

Southern Youth and Family Services (SYFS) is a major provider of services to disadvantaged, homeless and at risk of homelessness young people, their children and their families and carers. We are a Registered Community Housing Provider, Class 3 NSW and Provisional Tier 2 under the new National Registration System. SYFS operates in Southern NSW, including in the areas of: Shoalhaven, Illawarra, Southern Tablelands and South West Sydney. The principle aims of SYFS are:

- To provide support and assistance to young people who are disadvantaged, homeless, or at risk of becoming homeless, and their families,
- To act as an advocate for, and facilitator of, structural change that achieves improved living situations for young people and their families.

We work to increase access for young people and families to:

- Secure and affordable, individual housing
- Employment, education and training
- Secure and adequate income
- Health supports and services
- Appropriate support services
- Clothing, food and other practical assistance.

SYFS provides 44 different service types under contracts with various State and Federal Government Agencies, donations and philanthropic sources and through income generation endeavours. SYFS operates a

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range of models of housing and accommodation services including supported medium term residential facilities, a Youth Foyer, community housing, transitional housing, crisis accommodation, independent youth housing programs, outreach supports in private rentals and tenancy and living skills programs. SYFS continuously works to expand the housing and accommodation options for young people and, as an example, is currently developing a site purchased in the Shellharbour LGA as an innovative Community Hub and Youth Foyer accommodation facility.

SYFS delivers a range of support services complementing its housing and accommodation to ensure a holistic response to our clients' needs. These include youth health services (primary health, sexual health, psychologist, dietician, drug and alcohol clinics, mental health, physical health, breakfast and exercise programs); employment, education and training programs (short courses, Links to Learning, reconnection with mainstream education, access to accredited training, mentoring, homework support, work experience, employment assistance); family relationship support (family reconnection and reconciliation programs, parenting support and skills education, family support / counselling, home visits); Out of Home Care services; a youth financial counselling program; a Work Development Orders program; specialist services for young people in and exiting the Juvenile Justice system; living, social and tenancy skill development programs; specialist Aboriginal and newly arrived migrant / CALD programs and others.

In the 2012/ 2013 period SYFS provided accommodation/ housing and support for 311 young people and provided a full range of other service types to 2,093 young people and 1,505 families. SYFS employs 130+ staff and engages a pool of casuals and volunteers to assist in service delivery.

Young people and social, public and affordable housing

Young people occupy a unique place in this discussion on social, public and affordable housing and one that is often overlooked. Yet all the evidence points to an understanding that the majority of adults who experience homelessness or who experience long periods of unemployment and / or housing instability have one or more of the following characteristics:

- Their first experience of homelessness when young
- They have disengaged from education and training at a young age
- They have not achieved a successful employment record prior to turning 25 years.

Creating social, public and affordable housing systems that respond to the specific needs of young people who are homeless or at risk of homelessness can intervene early in life cycles to reduce longer term dependence on the public and social housing systems.

There is a significant body of research that identifies the risk factors for homelessness among young people and identifies that the provision of safe, supported and affordable housing and accommodation options for young people at high risk of homelessness prevents cycles of dependence on welfare and housing services into adulthood. Young people who have been in state care, juvenile justice or other correctional facilities or medical or psychiatric facilities experience high rates of homelessness over their life course (Chigavazira et.al: 2013). The Australian Institute of Health and Welfare (2012) identifies that predominant risk factors for young people becoming homeless include domestic violence, family conflict, child maltreatment, substance abuse, emotional and mental health problems and medical problems.

One goal of government provision of, and/or facilitation of partnership provision of social, public and affordable housing is to prevent people entering the homelessness system. Intervening early and increasing at risk young people's financial and housing security and wellbeing represents longer term cost savings to governments. In considering strategies under this Inquiry it is necessary to differentiate between adult strategies and responses and those for young people.

At risk and homeless young people are on very low incomes, both in terms of income support payments and low and/or casual youth wages. Not only does this restrict affordability generally, but it also impacts on access to community housing. With rental payment set at 25% of income, young people on income support pay less than other tenants and this decreases their attractiveness as tenants. There is a need for a dedicated rental subsidy to specialist youth housing providers to enable the allocation and development of increased properties affordable for young people while sustaining the financial viability of the housing provider.

An informed understanding of the needs and complexities of young people who experience homelessness needs to be applied to policies and procedures for gaining access to public and social housing. SYFS assists young people to get onto the Housing Pathways Register, but recent changes to the system are making it ever more difficult for young people to actually succeed in being housed under this system. Young people who have experienced trauma, lack family supports and live in complex and stressful circumstances, do find it difficult to comply with all the requirements of reporting and updating to maintain their position on the waiting lists. When they fail to comply they are removed from the list and when support services or the young people themselves attempt to get them reinstated, it is treated as a new application and is not backdated. The reality is, that young people are no longer young by the time they may be offered a place in social or public housing!

The Private Rental Market and Young People

In the adult policy framework, there is much discussion of rapidly rehousing people into long term options, with a greater role for the private rental market and government products such as Bond Loans and Private Rental Brokerage. If we are to effectively prevent young people from becoming adult clients of these options we must design youth specific policies, products and interventions.

In NSW, and particularly in regional and rural NSW, the private rental market is not able to match supply with demand for low cost rentals. There are a number of factors at play:

- Private rental vacancy rates are low. Research has demonstrated that when private rental vacancies fall below 2%, homelessness increases. Examples of low rental vacancies in areas where SYFS provides services include:
 - Goulburn Mulwaree: 0.77% in Sept 2013
 - Illawarra: 1.8% in January 2014
- The market has a preference for large detached dwellings. The supply of housing does not match the needs of young people, single people, older couples needing smaller sized dwellings. For example in the Goulburn Mulwaree LGA:
 - 83% of private housing stock consists of detached houses
 - 46% of all dwellings are three bedrooms
 - 31.1% of all dwellings are four or more bedrooms
- Private rental, social housing and Housing NSW stock combined do not meet the needs for small, affordable stock. For example in Goulburn Mulwaree:
 - 2,059 households are renting from private landlords, Housing NSW or Community Housing Providers
 - Only 8% of these dwellings are one bedroom
 - Only 5.8% of private rentals are bedsits or one bedroom dwellings.

Young people who are at high risk of, or who are experiencing homelessness, face unique barriers in competing for the limited private rental stock. Housing NSW commissioned a report ‘Final Evaluation Report for People Exiting Institutions Project’ (2013) and found that the barriers for young people in securing private rental housing included:

- Age barriers to signing lease agreements (for young people under 18 years of age)
- Low literacy, low knowledge and experience with processes for securing accommodation
- No rental history or poor rental history, negative family reputations and blacklisting, and
- Affordability issues.

On the supply side, barriers included discrimination and lack of available and suitable stock. For the young people in the project, housing access was further compromised by the relatively low levels of income support that they can access (notably Youth Allowance).

SYFS' own research, evaluations and extensive experience, demonstrates that:

- Few opportunities exist for young people, with the complex issues that have led to their experience of homelessness, to independently rent properties from the private market.
- Success can be enhanced (where properties are available) through the provision of funding to a specialist Youth Service and Community Housing Provider such as SYFS to provide a rental subsidy to young people in private rentals AND the service is able to take out the lease and sublet to the young person/young family.
- Providing a rental subsidy directly to the young person to assist with rent without the provision of ongoing support services, advocacy, living and tenancy skills training and programs does not result in positive outcomes or overcome the barriers to accessing private rental as discussed above.
- Loans for bonds or set up costs for young people are inappropriate. Low youth incomes, including the low rate of Youth Allowance and the difficulties at risk young people face in securing employment (resulting in low paid and casual work predominating) mean that being further burdened with debt reduces their ability to pay for living expenses, bills and utilities and to ever 'get ahead'.
- Overall, the private rental market is a limited option for resolving the needs of vulnerable young people for safe, secure and affordable housing.

Housing design approaches and service system integration – Youth Foyers

Youth Foyers offer an internationally and nationally recognised best practice option for homeless young people who are not yet at a developmental stage appropriate for independent living. SYFS operates the Southern Youth Foyer Project in the Illawarra. This project is designed to provide a holistic approach to meet the needs of young people through an integrated model combining accommodation and employment, education and training support for young people. It is widely recognised in research literature that increasing young people's success in education and training, and subsequent employment, is a key factor in preventing cycles of homelessness. It is the means to a more secure financial future as well as a major factor in wellbeing, social connectedness and improved emotional and psychological health.

Between 2000 and 2002 SYFS researched the Foyer model and visited overseas Foyers and introduced the model to regional NSW in 2004. The Southern Foyer has had a series of short term funding contracts through NSW and Federal sources. It secured a three year funding contract through the NSW Department of Family and Community Services from 2010-2013 with a one year extension till June 2014. This funding was made available as a result of the National Partnership Agreement on Homelessness and the future of the Southern Youth Foyer is uncertain beyond June this year. In 2012/13 the Southern Youth Foyer provided services including accommodation and education, training and employment supports to 51 young people and 12 children. The average length of stay for this period was 61 weeks.

The Southern Youth Foyer provides housing on three core sites, designed with individual bedsits, single bedroom or two bedroom units with communal areas, training and computer rooms, courtyards for outdoor living, facilities for communal activities such as cooking, dining and recreation and security features. The SYFS Foyer also incorporates some dispersed properties in the community to assist young people with a

graduated progression to full independence, whilst still receiving outreach supports. The Southern Foyer is one of the few Foyers in Australia and overseas that was not supported through government investment of capital funding for a purpose built facility. SYFS has adapted existing properties to closely align with best practice design in the absence of such capital assistance.

Outcome measures demonstrate that the SYFS Foyer model is highly successful in stabilising young people's living situations and developing skills and opportunities for secure futures. Seventy percent (70%) of the young clients reconnected and maintained engagement in education and training while a further 31% gained employment. Sixty five percent of young clients who exited the service in 2012/13 successfully moved on to independent living situations, the remainder being supported through supported housing situations as their skills and maturity continued to develop towards independence.

On entering the service all the young people had experienced family breakdown, 17% presented with mental health issues, 26% had family members with mental health issues, approximately one third disclosed drug and alcohol problems, all had financial difficulties and 87% had experienced some level of abuse or domestic violence.

SYFS has taken up invitations to present on the Foyer Model at international conferences in the US, UK and Canada and has provided expert advice in establishing Foyers both within Australia and overseas.

The Youth Foyer model is gaining traction across Australia with the Victorian and Western Australian State Governments, for example, making significant investments in capital construction and service funding for the establishment of new Foyers in their states. However, in NSW under the restructure of the Specialist Homelessness Service System and the uncertainty around negotiations for the National Partnership Agreement on Homelessness, funding for existing NSW Foyers will cease. The progress this State has made towards implementing such internationally acknowledged best practice and locally evidenced best practice is taking a backward step.

We recommend that this Inquiry take account of existing best practice evidence in its consideration on the future of housing and service integration approaches for young people and forecast a future that includes investment in Youth Foyers and the continuation of existing Youth Foyers such as the Southern Youth Foyer.

At risk and homeless young people need transitional housing options

As discussed, adult frameworks that emphasis moving people quickly into long term housing primarily sourced through the private market are not appropriate for young people. Disadvantaged young people are not well equipped to compete in this market. Further, few young people have a concept of 'permanent' housing. Taking into account their life and developmental stages, these young people need specialised supports and safe, secure accommodation / housing while they develop the skills and maturity to move into independence. The concept of 'transitional' housing has lost some currency in policy for homelessness. However, the research evidence into young people's housing needs affirms the case for transitional supported housing models for young people, with the understanding that the transitional housing needed is for periods longer than one year and, dependent on the young person's age and individual needs, can be for several years.

The social and public housing stock in regional NSW does not match the needs of young people. We have given the example of Goulburn Mulwaree where the stock is predominantly detached dwellings with multiple bedrooms. The design of the Southern Foyer and the new Foyer that SYFS is developing in Shellharbour, in contrast, is made up of combinations of bedsits, one bedroom and two bedroom units with

access to communal training and computer facilities and laundries etc. This type of design offers lessons for redeveloping existing stock and capital investment in new purpose built stock for young people.

There are a variety of models needed for young people who require both support and accommodation combined in a way that offers a graduated transition to independence. SYFS, for example, also operates two medium to long-term supported accommodation service models of note. One is staffed 24 hours a day and the other combines on-site and on-call staff coverage. The first is a purpose built facility providing accommodation in single bed-sit units with kitchen, sitting area, private bathroom and toilet. There are facilities for communal activities such as cooking, dining, recreation and laundry. The building has security features such as security screen doors and windows and wired fire alarms. The second service design prioritises young women with particular needs such as pregnancy, young mothers and young women who have experienced violence. Both services target young homeless people between the ages of 15 and 17 years.

Young people in the services are prepared for independent living or other appropriate living situations. Some of these more independent living situations to which young people exit can involve: SYFS properties provided as a Community Housing Provider; properties leased by SYFS on the private market; other public and social housing and other private arrangements. The key point is that these young people need to progress through a range of housing options that are affordable, safe and appropriate as they develop the maturity and life skills for independence. In order to be able to provide these options, youth specialist services such as SYFS need access to sources of capital funding to develop and refurbish properties appropriate for young people. Forward planning for community housing stock needs to pay particular attention to the needs of young people and the benefits of investing early to prevent life cycles of homelessness.

The gap between a young person being in a crisis youth refuge, Out of Home Care or other intensively supported arrangement and total independence is too large a leap for these young people. Graduated progression to independence is required and the options of our housing system need to include transitional housing for young people.

Service providers such as SYFS that are long term, highly experienced youth specialists, with the capacity to develop housing, have been thwarted in these endeavours on occasion by inadvertent consequences of government policies and processes. For example, SYFS is a youth specialist Registered Housing Provider, but there have been no new properties available to such housing providers to deliver a specialised, unique youth housing response. In 2010 SYFS identified a small block of vacant bed-sits owned by Housing NSW that with some repairs and minor modifications would have been suitable as transitional housing for young people with supports provided by SYFS. SYFS made offers over the period 2010, 2011 and 2012 to manage the block. In June 2012 SYFS was advised that the offer was unsuccessful on the basis of concerns about financial viability of youth housing projects because youth incomes were low and the rents would need subsidisation. Specifically, a structural deficit was identified where recurrent project costs exceeded rental income. SYFS attempted negotiations, with evidence that SYFS could provide outreach support and was able to provide evidence of financial viability for the project. The process of negotiation took so long, that the policy context changed and stock transfers were put on a moratorium while the Department of Finance and Services considered its position on future transfers.

This example clearly shows the impacts of low youth incomes and the need for a more systemic approach, including providing financial housing subsidies, to enable specialist youth housing providers to utilise their expertise to develop appropriate housing solutions.

Intervention in housing supply for affordability

Facilitating an increase in the supply of housing through planning law changes and reform needs to include incentives and interventions to enable affordable housing to be promoted. Otherwise, the market preference for larger or more expensive dwellings will predominate. Proposed amendments to the Planning Bill 2013 that offer some scope for private developers to make voluntary contributions for the provision of affordable housing, or allow the consent authority to impose a condition on development approval in the form of a contribution, to affordable housing are examples of how the law can further the objective of increasing affordable housing supply.

There is a need for greater collaboration with, and expert advice from, youth specialist housing and service providers on policy, planning and law reforms to ensure that incentives exist for the development of youth specific housing supply. Non-government agencies with the capacity to develop youth properties need support and investment so they can fulfil this potential. To some extent, this can be achieved through greater recognition and promotion by the State Government so that where incentives to developers are offered, the partnership arrangements with youth specialists are easier to initiate. However, this needs to be complemented by long-term planning for capital investment in youth housing supply in the social and public housing sectors.

There are also ways that these non-government agencies can be supported to develop housing stock that may fall under the responsibility of local rather than state government. The NSW Government, however, has played a role in mandating local governments to develop certain plans and instruments, for example Community Plans. Whilst the NSW Government has produced a number of resources for local councils to assist them to develop Affordable Housing Strategies, it is not mandated that councils do develop these strategies. We would like to propose that this Inquiry investigate whether this could happen. Through local government Affordable Housing Strategies, Community Housing Providers and Specialist Housing Providers could benefit from, for example:

- Access to land to develop
- Access to a small number of properties developed by a private developer that are earmarked for affordable housing and can possibly be managed by the specialist/ community housing agency
- Reduced Development Application and other fees
- Reduced or free waste tipping, including building waste
- Increased ease of partnership arrangements with the local council and local developers
- Increased flexibility in housing design and permissible developments.

Conclusions and Recommendations

In this submission we have argued that this Inquiry needs to be cognisant of the unique characteristics and needs of young people as a target cohort in considering social, public and affordable housing. We have referred to evidence identifying the causes of homelessness. There is also considerable evidence that young people's experience of homelessness and risk of homelessness is also a causal factor for mental and emotional problems, substance abuse, medical problems, disengagement from education and heightened unemployment. It makes good policy sense to design systems for social, public and affordable housing in a way that includes specific strategies and responses for young people as an early intervention approach, preventing life cycles that increase the demand for these services in adulthood.

Throughout this submission we make the following recommendations:

1. That the expertise of specialist Youth Housing Providers be better consulted and utilised to influence social, public and affordable housing policy.

2. That the barriers for young people accessing and maintaining their position on the Housing Pathways Register be removed.
3. That the low levels of youth incomes be recognised in rent setting policies for social and public housing.
4. That Youth Housing Providers receive rental subsidies for young people to aid financial viability in allocating appropriate properties specifically for young people.
5. That the NSW Government provide capital investment for increasing social and public housing stock that is purpose designed and built for young people's needs.
6. That incentives are provided by the NSW Government through planning regulations and through financial incentives for the development of affordable housing stock in the private market and by Registered Housing Providers.
7. That the NSW Government provides capital and support funding to develop Youth Foyers in NSW.
8. That transitional housing options for young people form part of future planning for social, public and affordable housing.

SYFS would welcome any future opportunity to discuss this submission and provide additional information to assist the Inquiry in its endeavours to include the specific needs of young people in its considerations and recommendations.

Thank you on behalf of the Board of Southern Youth and Family Services.

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