



FoyerInvest National Housing and Homelessness Plan Submission

Prepared by the Foyer Foundation on behalf of FoyerInvest

October 2023

This submission is in response to the National Housing and Homelessness Plan Issues Paper

This submission responds to the following topics in the National Housing and Homelessness Plan Issues Paper:

- (3.1) Homelessness
- (3.2) Homelessness services

As they relate to:

- Young people experiencing or at risk of homelessness
- Early intervention
- Prioritising education, training and employment
- Place-based models

Submission partners

The Foyer Foundation makes this submission on behalf of FoyerInvest, a national consortium of service providers, community housing providers, philanthropists, and impact investors seeking to grow the reach and impact of Youth Foyers. Together we aim to reach 50 Foyers by 2030 and unlock thriving futures for young people experiencing or at risk of homelessness.

The Foyer Foundation is a central connector that enables young people, organisations and investors across Australia to work together to grow the reach and impact of Youth Foyers. We ensure the quality of Youth Foyers through learning, development and a robust accreditation process. We build the evidence base through a national outcomes framework, facilitate innovation and drive advocacy efforts across Australia.

Partners endorsing this submission include: The Foyer Foundation, Uniting NSW/ACT, The Brotherhood of St. Laurence, Mission Australia, Wesley Mission Queensland, Launch Housing, Anglicare WA, For Purpose Investment Partners, Hand Heart Pocket, Gold Coast Youth Services, St John's Youth Service, MinterEllison, Junction Australia, YMCA Queensland, Brisbane Youth Services National Shelter, QShelter, Shelter NSW, NT Shelter, IFYS, and Anglicare Southern Queensland.




Brotherhood
of St Laurence




Minter
Ellison.



Executive Summary

This submission to the National Housing and Homelessness Plan Issues Paper has been prepared by The Foyer Foundation on behalf of FoyerInvest, a consortium of service providers, philanthropists, impact investors and young people working collaboratively to grow the reach and impact of Youth Foyers. Together we are working towards a future where young people at risk of or experiencing homelessness go on to live thriving futures. Our submission focuses specifically on responding to the needs of children and young people aged 16-24 who are at risk of or experiencing homelessness.

To unlock thriving futures, children and young people experiencing or at risk of homelessness need more than a roof over their heads. They need a safe and stable home: with meaningful connections, trusting relationships, and a way to build strong foundations in education, employment, and independent living skills.

Our current homelessness service system is skewed to short-term and crisis responses, with just 25% of young people seeking medium term-support having their needs met, and just 4% having their long-term needs met.¹ While short-term services are critical for responding to the needs of young people in crisis with urgent accommodation challenges, they are operating beyond their capacity. Further, they are not designed to transition those who are ready for independence beyond crisis accommodation towards a future of employment, stable housing and self-sufficiency. There is an unrealised opportunity for the Commonwealth Government to invest in medium-term housing with integrated employment, education and life skills supports to bridge this gap, effectively transitioning young people away from entrenched cycles of disadvantage and homelessness.

Youth Foyers are an evidence-based response that is an essential part of the solution to child and youth homelessness for 16-24 year-olds. Independent analysis found that:

- Over 80% of young people living in Youth Foyers in Australia exit into safe and stable housing
- 65% gain secure and decent employment
- Foyer residents are 60% less likely to be involved in the justice system.²

Living in a Youth Foyer creates a positive ‘fork in the road’ in a young person’s life, giving them a launching off point towards a thriving future beyond our service systems. Youth Foyers are both a solution for early intervention with young people at risk, as well as a pathway out of homelessness.

There is both a moral and an economic case for investment in Youth Foyers, with governments generating a \$6 return for every additional dollar invested in Youth Foyers. Scaling to 50 Foyers by 2030 would unlock outcomes for 20,000 young people over the next decade, generating \$2.9 billion in government savings in this time period.³

There are currently 11 accredited Youth Foyers in Australia, with a further 9 due to be accredited by the end of 2023. The FoyerInvest Consortium has identified 14 new Youth Foyer projects in

¹ Australian Institute of Health and Welfare (AIHW) 2022, [Specialist homelessness services annual report 2021–22](#).

² Accenture, 2022 [Under One Roof: The Social and Economic Impact of Youth Foyers](#), Foyer Foundation.

³ Accenture, 2022, p. 26.

communities across Australia that are ready for investment and build within 2 years. A further 17+ sites are in the scoping phase and will be ready for development in 2-7 years.

Investment is needed to scale and sustain high-quality Youth Foyers as a key part of the service system needed to support young people at risk of or experiencing homelessness. New funding mechanisms, including social impact bonds and payment-by-outcomes structures, provide opportunities for more sustainable funding models that include bricks and mortar costs, as well as the support services required for Foyer residents to achieve independence on exit.

Young people need more than a roof over their heads to move beyond homelessness towards a future of independence from the service system. They also need education, employment and life skills supports to create the right foundations for a thriving future.

Investing in ongoing service operating costs is an essential requirement for success. Operating costs have also been identified by communities and organisations across Australia as one of the key barriers to scaling the Youth Foyer approach.

This submission recommends that the National Housing and Homelessness Plan should:

- Identify children and young people (16-24) as a priority cohort and direct investment specifically towards their unique housing and service support needs
- Invest in scaling Youth Foyers, an evidence-based solution to youth homelessness, from 20 to 50 Youth Foyers by 2030
- Unlock new and underused funding mechanisms, including social impact bonds and payment-by-outcomes contracting, to support better outcomes for young people and drive collaboration between service providers, governments and the private sector.

Kind regards,

[Redacted signature area]

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1. The case for change: targeting investment towards young people experiencing or at risk of homelessness

a. A youth specific response is required

Having a safe and stable home is a basic human right, and is especially important for children and young people. For most young people, homelessness is typically the result of many intersecting experiences of family and domestic violence or breakdown, neglect, abuse, poverty, housing stress or involvement with the justice system. In 2021–22, around 39,300 people aged 15–24 presented alone to SHS agencies.⁴ Many more are couch-surfing or living in unsafe homes and do not come forward for support. These figures have not changed significantly for over a decade. Nearly a quarter (23%) of all people experiencing homelessness were aged from 12 to 24 years in 2021.⁵

Experiences of youth homelessness are felt disproportionately by particular groups or cohorts of young people, including:

- First Nations young people, who represent 31% of the 15-24 age group presenting alone for SHS services⁶
- Young people transitioning from Out of Home Care, with one-in-three Out of Home Care leavers aged 15–17 in 2020–21 experiencing homelessness within a year⁷
- LGBTQIA+ young people.⁸

Young people experiencing homelessness have distinct needs that extend beyond access to safe, affordable and high-quality housing. They require tailored support to maintain their education, training and employment goals. Additionally, fostering connections within the community and providing opportunities is essential for guiding them towards a positive trajectory, independent of the welfare system.

b. A crisis-driven service system that does not resolve homelessness

The homelessness service system is disproportionately skewed towards crisis or short-term responses. It is not designed to include sufficient measures to address young people's housing and support needs for long-term independence.

Accordingly, young people who ask for support often cycle through crisis or short-term services without finding a long-term pathway out of homelessness. 3 in 5 young people presenting alone for SHS services in 2021-2022 were repeat users, demonstrating that previous interventions have not been sufficient, or sustained for long enough, to break the cycle of homelessness.⁹

Behind these numbers are young people with enormous potential, ready to launch into their futures. Many of these young people are fully capable of overcoming homelessness with the right service supports and structural conditions in place.

⁴ AIHW 2022, [Specialist homelessness services annual report 2021–22](#).

⁵ Australian Bureau of Statistics 2021, [Estimating Homelessness: Census](#), ABS.

⁶ AIHW 2022

⁷ McDowall, J. J. 2020, *Transitioning to Adulthood from Out-of-Home Care: Independence or Interdependence*. CREATE Foundation.

⁸ AIHW 2022

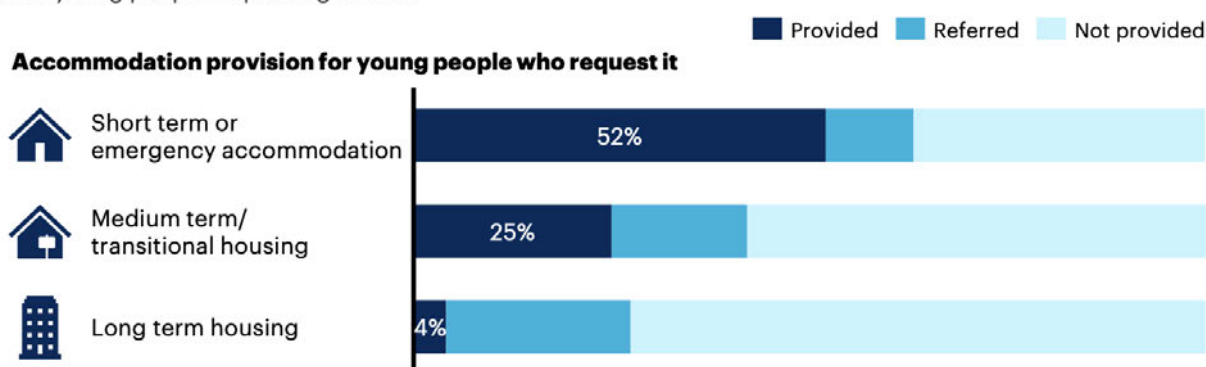
⁹ AIHW 2022

Our current service system prioritises short term interventions. In 2020-2021:

- Only 52% of young people who requested short term or emergency accommodation (ranging from one night to up to 3 months) were supported, demonstrating that short-term services are also operating beyond current capacity and demand
- 25% of young people who requested medium-term support or transitional housing received it, and
- Just 4% of young people who requested long-term support received it.¹⁰

Service needs met, young people presenting alone to SHS 2020-21

% of young people requesting service



While short-term and crisis responses remain an essential part of the service ecosystem that young people experiencing homelessness need, these types of services are not sufficient to prevent homelessness or create exit routes out of homelessness. They should exist alongside medium-term models specifically designed to resolve homelessness and set young people up for independence.

Medium-term models, such as Youth Foyers, provide more than a roof over a young person’s head. This prevents a single experience of homelessness at a young age from becoming a cyclical, long-lasting or recurring experience into adulthood.

Young people need a source of income to become independent from the service system. A prerequisite for this is the educational foundation needed to unlock employment. In 2021, just 20% of all SHS clients were in education or training before accessing support.¹¹ After SHS support, this increased to just 21%. This reflects a lack of integrated supports within the SHS system to enable young people to successfully transition to independence.

The SHS service system is designed with a single policy lens that focuses on housing and homelessness service supports alone. In reality, young people need supports that span multiple policy domains including housing, education, employment, mental health, domestic violence and drug and alcohol supports. Just 44% of young people requesting mental health support were provided it in 2021-22 via SHS services. 39% of those who needed drug and alcohol counselling had this need met.¹²

The problem is not with the services delivered by SHS service providers, who are often operating creatively and beyond capacity with the limited resources they have. Instead, we need to consider

¹⁰ Accenture 2022, pp. 10.

¹¹ Accenture 2022, pp. 45.

¹² Accenture 2022, p. 10.

the way the SHS service system has been designed and whether it is fit-for-purpose for children and young people seeking a life of independence. The National Housing and Homelessness Plan provides an opportunity to redesign the system so it can break cycles of dependence on the SHS system and unlock independent, thriving futures for more young people across Australia.

In order to divert young people from cycling through service systems, the service ecosystem must be redesigned to include:

- Prevention strategies that address the causes of homelessness.
- Early intervention strategies focussed on children and young people at risk of homelessness or very early once homelessness occurs.
- Effective crisis interventions that return the child or young person to their family where possible and desirable or exits the young person from homelessness into secure, supported housing, including out-of-home care.
- Increased housing options with support suitable for young people to prevent a return to homelessness.

These features have been reinforced by an adjacent joint submission, prepared by the National Coalition to end Child and Youth Homelessness, also endorsed by The Foyer Foundation.

2. Youth Foyers: an essential part of the response

a. What is a Youth Foyer?

Youth Foyers are an essential part of the service system we need to break cycles of dependence. Youth Foyers provide 16 to 24-year-olds at risk of or experiencing homelessness with a way to unlock their futures, integrating safe and stable housing with education, employment and life skills supports for up to two years.

This approach, coupled with targeted and holistic support, enables a significant proportion of young residents to transition into a future of safe and stable housing (80%), secure employment (65%), and self-sufficiency.¹³

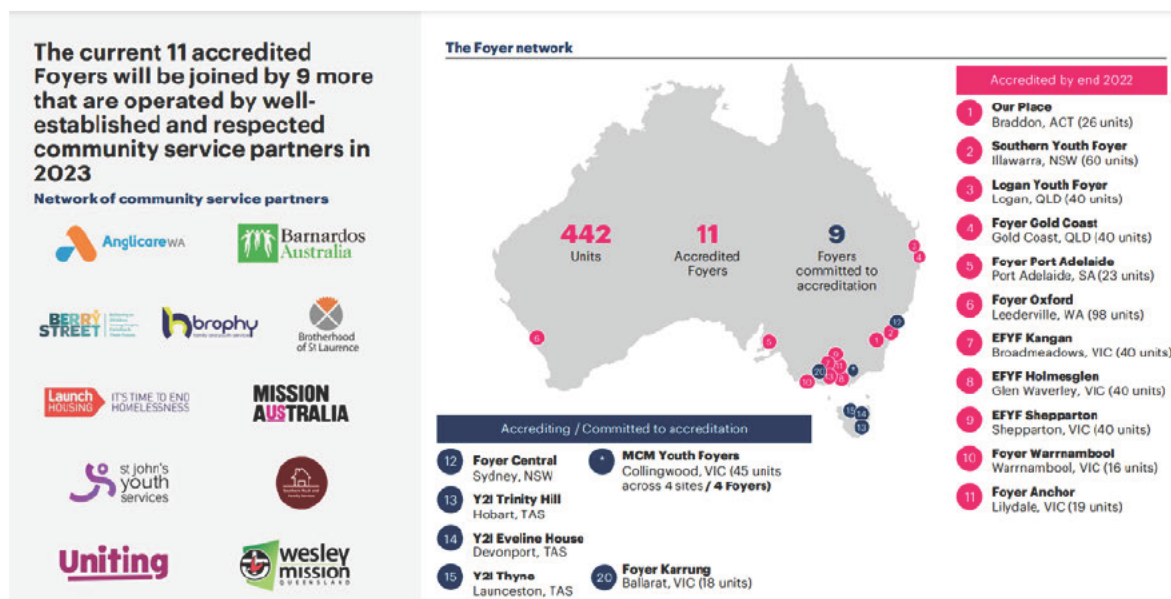
Youth Foyers are a launch pad for young people to engage with education, find meaningful work and open up pathways to a thriving future. Youth Foyers provide more than just housing – they support young people to build meaningful social connections and give them the skills to participate in their local community.

The landscape of Youth Foyers across Australia is diverse, reflecting various sizes, focuses, and demographic nuances. They are located in metropolitan and regional settings. Some are small, others large; some cater to young parents with babies, while others focus specifically on cohorts such as those exiting from Out of Home Care systems. This diversity contributes to a dynamic and context-specific suite of youth homelessness services that are designed specifically for different places and communities across Australia.

Youth Foyers are delivered by different service providers, big and small. Many of these providers also deliver crisis accommodation, refuges, and other solutions in parallel with their Youth Foyer.

¹³ Accenture 2022, p. 18.

A strong Community of Practice and Accreditation process ensures the quality of Youth Foyers across Australia, both facilitated by The Foyer Foundation. There are currently 11 accredited Youth Foyers and 9 undergoing Foyer Foundation Accreditation in Australia, which will bring the total to 20 Accredited Youth Foyers by 2024.



Australia benefits and draws inspiration from the thriving Youth Foyer network in the UK. The UK's experience provides valuable insights, good practices, and proven methodologies, contributing to the effectiveness of Youth Foyers in Australia.

b. Advantaged Thinking

Youth Foyers in Australia offer an innovative departure from the mainstream response to youth homelessness by adopting an Advantaged Thinking approach. This is a philosophy and applied practice that focuses on a young person's talents and potential in life, instead of defining them by their problems. Advantaged Thinking meets young people where they are in their life journeys and invests in their long-term goals and aspirations.

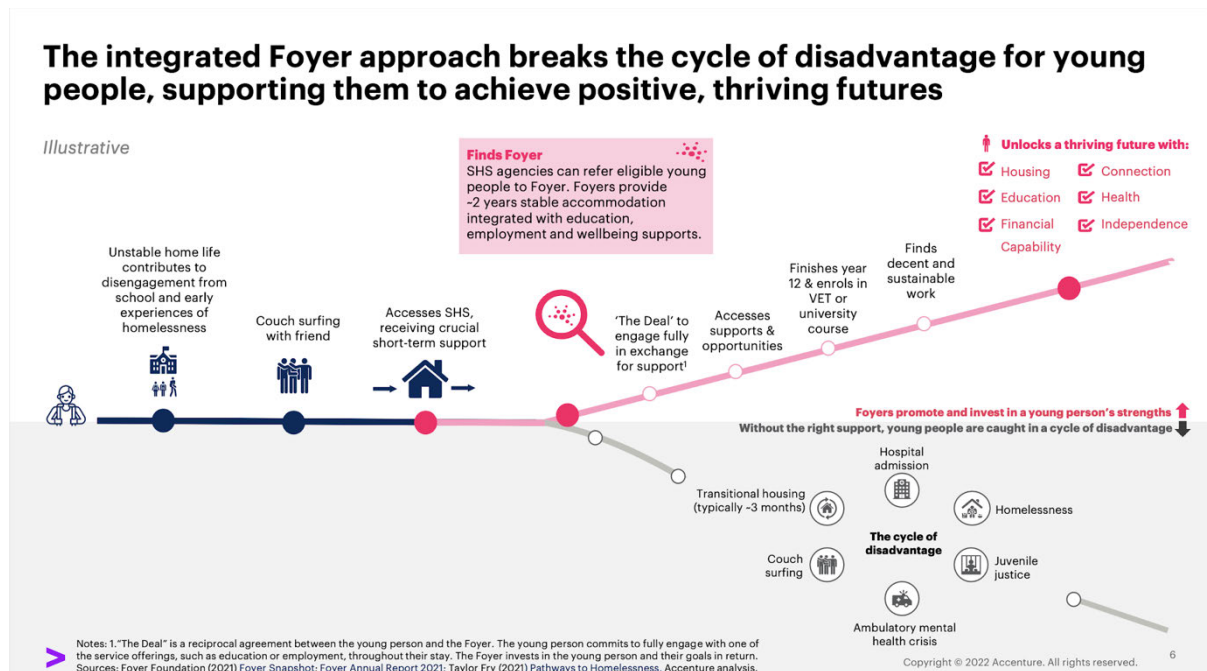
Advantaged Thinking is thoroughly documented in practice guides and research reports, and has been successfully applied in other sectors, including settlement sector, youth justice and Out of Home Care.¹⁴

Advantaged Thinking raises expectations of young people and enables us to move beyond simply housing young people. Instead, it encourages us to envision and build a system that facilitates thriving, independent lives beyond the confines of the welfare system.

“Now, I’m all about spotting what I bring to the table and using it to power up my personal life and career. Advantaged thinking is like having a secret weapon for taking on the world!”

– [redacted] former Foyer resident

¹⁴ See, for example, S Mallet, S James, N McTiernan & J Buik 2014, *Education First Youth Foyer Practice Framework*, Hanover Welfare Services and Brotherhood of St Laurence, Melbourne.



c. More than a roof: education, training and employment

Education, training, and employment provide pathways out of homelessness for young people. Youth Foyers play an important role in integrating these elements into the service system. Young people experiencing or at risk of homelessness often encounter challenges in completing Year 12 and face higher unemployment rates. These structural barriers not only hinder their personal development but also result in a substantial long-term cost to governments, estimated at \$123,638 per individual relying on welfare due to homelessness.¹⁵

While secure housing acts as a protective factor, it is insufficient to break the cycle of youth homelessness. Young people require access to education, training, and employment opportunities, along with the opportunity to engage in age-appropriate activities and establish positive social connections within the broader community. These activities encompass a range of social and community-based opportunities (such as sporting activities, school camps, volunteering, and fostering positive relationships with adults), independence-building activities (like securing employment, learning essential life skills such as cooking and obtaining a driver’s licence, and maintaining good mental health), and learning opportunities (covering areas like financial literacy, education about sexuality and healthy relationships, legal system knowledge, and leadership development).¹⁶ Youth Foyers play a vital role in providing these necessary resources for young people to transition out of homelessness.

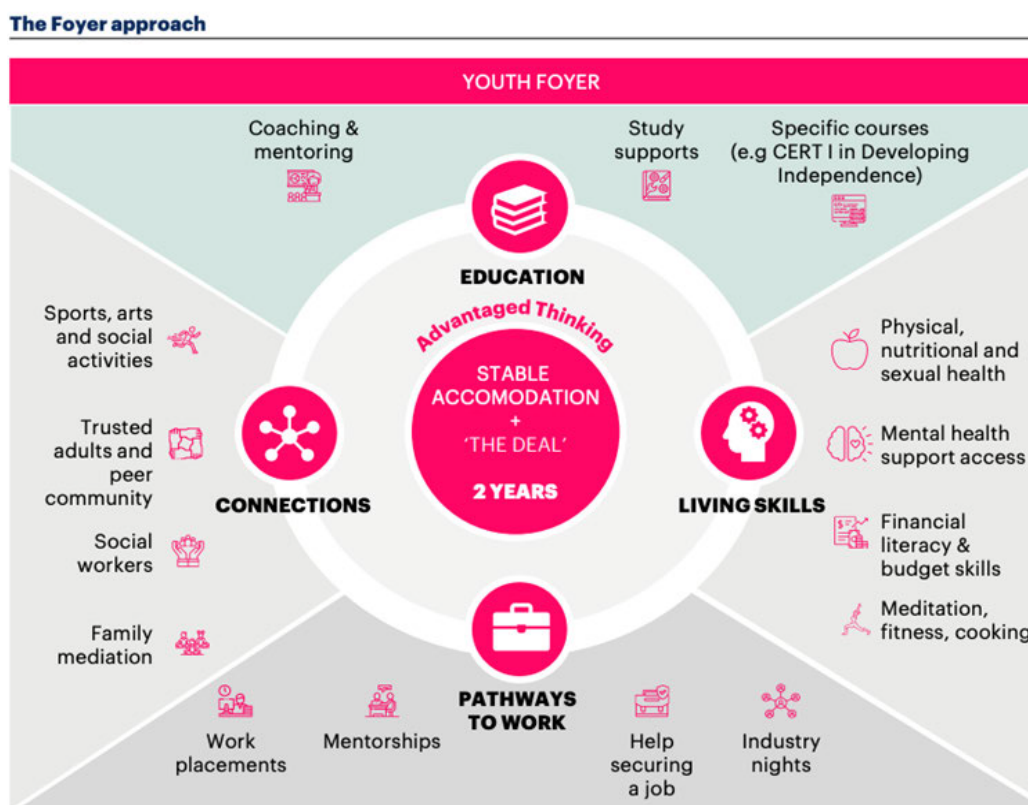
“The Foyer helped me by creating a safe and stable environment to raise my child. I was given support with opportunities to study and future pathways into employment that I would not have thought possible.”

— [REDACTED], Youth Foyer resident

¹⁵ Accenture 2022, p. 11

¹⁶ The Annie E. Casey Foundation 2015, [What young people need to thrive: Leveraging the strengthening families act to promote normalcy.](#)

Youth Foyers also establish extensive community networks, forging connections with employers, community groups, schools, accredited and non-accredited training providers, and universal platforms like health services. The co-location of Youth Foyers with education, training, and industry sites, such as the Education First Youth (EFY) Foyer sites in Victoria, enhances access to mainstream education and fosters opportunities for co-funding, resource pooling, and a focus on education as a pathway out of homelessness.



Other Youth Foyers have a structured partnership with education providers, such as the three (soon to be five) Youth2Independence (Y2I) facilities in Tasmania. These sites deliver a Certificate 1 in Developing Independence, a unique Youth Foyer modality, that builds confidence and promotes re-engagement in formal study by focussing on a range of independent living skills and future career planning.

Due to this structured access and support, young people living in a Youth Foyer are 1.6 times more likely to achieve a higher level of education when compared with existing Specialist Homelessness Services.¹⁷ A recent report by Accenture Economic Insights found that at least 65% of Youth Foyer residents gained employment by the time they exited the program, compared to 51% if they had gone through a SHS.

Existing programs in the education and homelessness sectors may offer support in either education or housing, but few integrated service models prioritise both education and employment outcomes. Youth Foyers are uniquely positioned to ensure that young people stay actively engaged in education, training, and employment during a critical transition point in their lives. The National Housing and Homelessness Plan to address child and youth homelessness should recognise and invest in initiatives like Youth Foyers that actively focus on education, training, and employment to guide young people away from repeat experiences of homelessness.

¹⁷ Accenture 2022, p. 18.

d. Youth Foyers: who they serve

Youth Foyers should be located within a strong service ecosystem that provides a range of options for different young people, meeting them where they are on their journey towards independence.

The Youth Foyer approach is designed to serve:

- young people at risk of or briefly entering into a situation of homelessness as a preventative measure, including those exiting from institutions such as the Out-of-Home-Care system
- young people who have experienced homelessness, including those couchsurfing, living in overcrowded conditions, or already receiving support through other forms of crisis accommodation and SHS services.

Youth Foyers facilitate the flow of individuals through and beyond the homelessness service system. They add value both ‘up-stream’ and ‘down-stream’ in the youth housing continuum, acting as an aspirational pathway out of refuge or crisis accommodation, Out of Home Care and the juvenile justice system. By enabling this cohort to progress towards independence, Youth Foyers not only empower young people to live independent lives, but also contribute to relieving pressure on crisis accommodation and SHS services and creating additional capacity in the system for young people with more acute and complex housing and support needs.

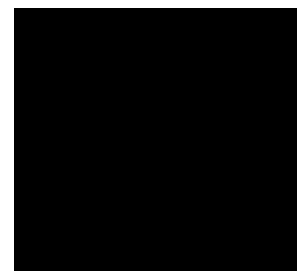
Overwhelmingly, Youth Foyers prove to be the last stop on a young person’s service-connected housing journey. Longitudinal data finds that 72% of young people transition from Youth Foyers to private housing options or return to their families.¹⁸ This underscores the effectiveness of Youth Foyers in providing a transitional bridge towards independent living.

e. Examples of Youth Foyers

Foyer Oxford in Leederville, WA

Foyer Oxford, located in Leederville, Perth, provides a home and coaching for up to 98 young people, including 24 young parents and their children. It is run by a consortium including Foundation Housing, Anglicare WA, and North Metropolitan TAFE and is an embedded part of the local community.

Young people have access to a range of activities that provide opportunities to engage with their local community, including education, employment, volunteering and community activities. Foyer Oxford has consistently demonstrated strong positive outcomes for their local community. According to external community perception surveys contracted by Foyer Oxford, 70% of respondents considered the impact of Foyer Oxford in the area to be positive or extremely positive after three years of operation.



“Foyer Oxford helped me develop the life skills I didn’t have before... Without Foyer I would not be the person I am today, who values myself and wants to spread the advantages of Foyer to more young people who are at risk of homelessness.”

– [REDACTED], Former Foyer resident and Youth Ambassador

¹⁸ Accenture 2022, p. 18.

Kangan Education First Youth Foyer in Broadmeadows, Victoria



The Broadmeadows Education First Youth (EFY) Foyer accommodates up to 40 young people in studio-style accommodation units with cooking facilities, a bathroom and learning area with various shared facilities such as a laundry, communal kitchen and study areas. The 24-hour onsite staff, together with community-based partner agencies provide a range of services to young people including education and training, employment assistance, life skills development, mental and physical health support, drug and alcohol support, mentoring and social participation.

A unique feature of the EFY Foyer is its co-location with Kangan TAFE. Young people begin their residency by undertaking a Certificate 1 in Developing Independence, creating a bridge to mainstream education and real-world work experience and job opportunities.

f. Youth Foyers are adaptable to place

Youth Foyers are highly adaptable to local contexts, allowing them to respond to local needs and demographics, while taking advantage of place-based partnerships, assets and opportunities within each community. Young people experiencing homelessness often lack social capital, which can reinforce their experience of disadvantage and social isolation. Youth Foyers develop place-based networks and social connections based on the young person's goals and aspirations that will stay with them beyond the duration of the program.

Youth Foyer programs have been successfully established across diverse settings in Australia, including urban, suburban and regional areas. They achieve this by coordinating a 'youth opportunity landscape'. For example, in the regional Victorian town of Shepparton, the GOTAFE Education First Youth Foyer is jointly funded by both the Department of Families, Fairness and Housing and the Department of Education. The co-located TAFE delivers an education re-engagement tool within the Youth Foyer, benefitting not just the young people living there, but also a specific cohort of young people in Out of Home Care in the region. This proactive joining-up of youth service systems leads to improved outcomes for young people. Indeed, in the regional context of Shepparton, the Youth Foyer serves as a hub for engagement across the wider Goulburn Valley region. It maintains an active advisory committee comprised of relevant partners including local schools, TAFE, businesses and cultural organisations. Together, they coordinate youth-specific responses in a place-based manner.

g. Youth Foyers are responsive to priority cohorts

Youth Foyers have been shown to effectively support a range of priority cohorts. Notably, a significant proportion of young people living in Youth Foyers come from crisis accommodation and Out of Home Care. Youth Foyers are committed to supporting First Nations young people, with 16% of residents identifying as Aboriginal and/or Torres Strait Islander in 2021¹⁹. Through personalised coaching and goal-setting, Youth Foyers actively engage young people in negotiating and defining

¹⁹ Accenture 2022, p. 31

their connections to culture, identity, kin, and community. Youth Foyers have strong relationships with local Aboriginal Controlled Community Organisations and community leaders, which strengthens cultural responsiveness and support. The Victorian Aboriginal Housing and Homelessness Framework released in 2021 includes recommendations for establishing Education First Youth Foyers.

In addition to First Nations young people, Youth Foyers have successfully extended their support to other priority cohorts. For instance, Foyer Central in Sydney caters specifically to young people with a care background. Similarly, Foyer Warrnambool in South West Victoria has demonstrated success in assisting young parents with children, showcasing the adaptability of Youth Foyers in meeting diverse needs of local communities.

Likewise, Youth Foyers are an effective solution for young people navigating mental health challenges, providing a supportive and nurturing environment for their wellbeing. Youth Foyers incorporate a formal health and wellbeing offering, emphasising their critical role in facilitating sustainable pathways to education and employment. By promoting healthy living practices and facilitating connections to specialised support services, such as mental health counselling and alcohol and other drug assistance, Youth Foyers proactively contribute to improved mental health outcomes. The longitudinal evaluation of EFY Foyers underscores this impact, showing that roughly half of participants reported enhanced mental health upon exit compared to their entry into the program.

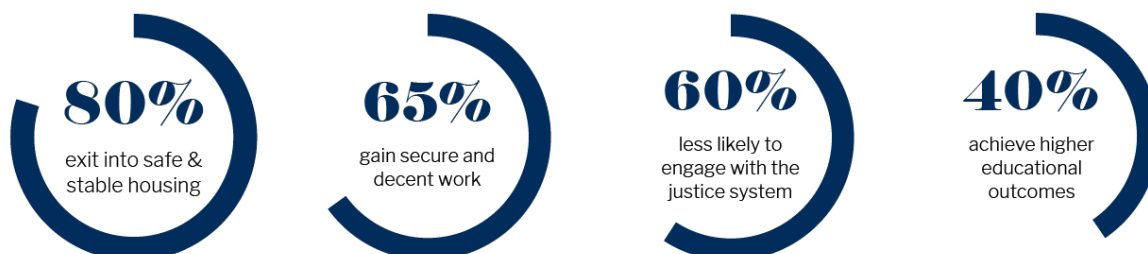
Other groups of young people experiencing disadvantage – including young people of Culturally and Linguistically Diverse or refugee backgrounds, young people who identify as LGBTQIA+, young people with a disability and those living in regional or remote locations - are serviced by Youth Foyers nationally.

3. The social and economic impact of Youth Foyers

There is both a moral and an economic case for Youth Foyers as an evidence-based solution to youth homelessness.

a. Social impact

Independent analysis on the social and economic impacts of Youth Foyers across Australia, undertaken by Accenture Economic Insights in 2022, found that:



This data is reinforced by the stories and voices of young people who live or have lived in Youth Foyers.



“Youth Foyers provide a unique experience for young people. It allowed me to learn how to be an adult. To have a home. To have space that was my own. And I didn’t feel like I had to do it alone.”

■ ■ ■ ■ ■, former Foyer resident and Youth Ambassador

A five-year longitudinal study of the three Education First Youth (EFY) Foyers in Victoria conducted between 2013 and 2018, found that after participating in the program:²⁰

- 85% of people were in work or education in the year after their exit,
- The number who had completed at least Year 12 or a Certificate III qualification increased from 42% at entry to 67% at exit and to 75% a year after exit,
- Half of all young people transitioning out of the Youth Foyer programs reported better mental health than when they moved in,
- The number of young people living in independent accommodation (renting or owning) increased from 7% at entry to 43% at exit and to 51% a year later. This figure excludes others who went on to live in share houses or other forms of private rental (not nominated on lease),
- The number of young people sleeping rough or living in crisis accommodation, treatment centres or detention declined from 32% at entry to 3% at exit, and to 2% a year later.

The short- to medium- term impacts experienced by young people who live in Foyers create flow-on long-term benefits to families, communities, our society and economy throughout their life course.

b. Economic impacts

Youth Foyers are a cost-effective investment for federal and state governments, delivering a \$6 return for every additional dollar invested in Youth Foyers.

According to the Foyer Foundation's *Under One Roof* report, Accenture Economic Insights found that Youth Foyer programs produce \$172,000 in savings to governments per person. This saving can be attributed to reductions in housing, health, welfare, and justice costs throughout a young person’s life.²¹ On average, 52% of the benefits of Youth Foyer go to the State and 48% to the Federal Government. On a per person basis, Youth Foyers create an average of \$80,000 in benefits for the Federal Government, via taxation uplifts, welfare and federal health savings.



²⁰ Coddou, M, Borlagdan, J & Mallett, S, 2019, *Starting a future that means something to you: outcomes from a longitudinal study of Education First Youth Foyers*, Brotherhood of St Laurence & Launch Housing, Melbourne.

²¹ Accenture 2022, p. 20

Youth Foyers also create \$89,000 in benefits for State Governments through the avoided social housing, health and justice costs.

KPMG’s report on the cost benefit offered by the Education First Youth Foyers in Victoria in 2019 demonstrated their favourable comparison to transitional housing management (THM).²² This comparison is primarily due to the EFY Foyer's greater impact on educational attainment, positive housing outcomes, and improved health and wellbeing.

The average 40-bed Youth Foyer costs an average of \$15-\$20 million to build, and \$1.6-\$2m in recurrent operating costs. Young people live in a Youth Foyer for between 1-2 years, creating flow through the service system towards independence from the service system and freeing up capacity in the system. This investment is cost-effective because it gets results for young people and generates cost savings for Commonwealth, State and Territory Governments over time.

4. Growing the reach and impact of Youth Foyers

a. A pipeline of investment-ready projects

Young people, services and communities across Australia are seeking support to grow the reach and impact of Youth Foyers. The FoyerInvest consortium formed to connect up these efforts and catalyse momentum across the Youth Foyer network in Australia.

50 Foyers by 2030

Growing to 50 Youth Foyers by 2030 would divert 20,000 young people away from homelessness towards thriving futures by 2040. This would create \$950 million in avoided costs to Governments by 2030, and \$2.9 billion by 2040.²³

In 2023, a survey undertaken by the Foyer Foundation identified **14 new Youth Foyer projects ready for investment and build within 2 years**. At least 6 of these Youth Foyer proposals are “shovel-ready”, some with land committed, modest capital and operational funding required to activate these opportunities. Some have councils and/or State and Territory Governments already committed or in negotiation.

There is also a strong pipeline of an additional 17+ communities scoping or developing Youth Foyer opportunities in their regions.

The appetite for new Youth Foyers reflects the urgency of need in communities across Australia and the recognition of Youth Foyers as an evidence-based part of the local service system. Youth Foyers are not a silver bullet for all young people, but they are an important part of a local service system that can open doors to independence outside of that system.

b. The need for new funding mechanisms

The most significant barrier to scaling the Youth Foyer approach is securing investment. Building a 40-bed Youth Foyer typically requires an investment of between \$15-20 million to build and \$1.6-\$2 million in ongoing service costs per annum.

²² KPMG 2019, [Education First Foyers: economic evaluation](#), Brotherhood of St Laurence, Melbourne.

²³ Accenture, 2022, p. 27

Unlike typical social housing investments, the infrastructure costs create benefits for individuals over time as they move through the Youth Foyer to independence at an average of 1.2 years per stay.²⁴ Many communities fund Youth Foyers through state-based infrastructure investment funds, with potential investment available through the new Federal Government's Housing Australia Future Fund. Philanthropists and impact investors are willing to make the government dollar go further through impact investing mechanisms designed to accelerate the pace of growth. For example, through aggregated impact investing transactions that could fund the development of multiple Youth Foyers at once in a portfolio-based approach.

The biggest hurdle communities and service providers seeking investment for Youth Foyers have reported is the recurring operating costs of services needed to deliver sustained outcomes. This is particularly challenging where the existing commissioning system forces competition between funding for Youth Foyers and other important services in the Specialist Homelessness Services system.

To shift the dial on child and youth homelessness in Australia, we need a balanced service system with a range of options for young people throughout their journey; from a situation of risk or crisis, through to independence. A commissioning system that unintentionally forces competition between services with different purposes and roles undermines the effectiveness of the service system as a whole. This creates gaps in the support system needed by children and young people at risk of or experiencing homelessness.

The FoyerInvest consortium is developing a portfolio of innovative investment solutions to unlock new possibilities when it comes to funding Youth Foyers. These options are focused on driving collaboration between Federal and State Governments, the private sector and housing and support providers.

Options include:

1. Social impact investment and impact bonds for the bricks and mortar infrastructure that combine Federal investment with private capital contributions
2. One-to-many Payment-by-outcomes contracts for ongoing service operating costs.

Payment-by-outcomes contracts have unrealised potential in Australia. To date, no Australian transaction has exceeded \$10 million. There are high transaction costs, highly complex negotiations and structures, and most smaller service providers are excluded from participation due to this high cost.

We need a catalyst to accelerate change in our commissioning system: to make it simpler, outcomes-based and scalable through one-to-many contracts. One-to-many transactions can reduce the cost of each transaction, make it more inclusive for smaller organisations, and unlock a potential to scale more rapidly than through one-to-one negotiations.

Youth Foyers are uniquely placed to prototype payment-by-outcomes contracts at scale, including:

- A strong network of 11-20 current service providers using an accredited Youth Foyer approach in different communities across Australia. This network includes a diversity of

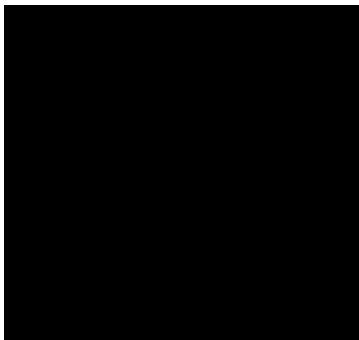
²⁴ Accenture, 2022, p. 31

providers, from smaller community organisations through to large non-government organisations with national reach and significant back-office capabilities

- A new, nationally consistent Outcomes Framework with agreed outcomes measures and indicators
- A strong pipeline of over 30 future Youth Foyer projects ready to scale across Australia, 14 of which are ready for development within 2 years.

This work aligns with the Federal Government’s \$100m Outcomes Fund announced in the FY23-24 budget being led by the Department of Social Services (DSS) and the complementary \$100m Philanthropic Outcomes Fund being developed by leading philanthropists and impact investors across Australia.

Our recommendation is to include consideration of new investment mechanisms within the National Housing and Homelessness Plan and the subsequent agreements between the Commonwealth and State and Territory Governments.



“Foyer has been so life-changing for me as it’s not only supported me with finding employment, but it’s also supported me in achieving my goals, particularly around education.” – [REDACTED] former Foyer Resident and Youth Ambassador

5. Conclusion and recommendations

Young people are the future of our communities, economy and society. Breaking cycles of homelessness at a young age, by intervening early and creating pathways out of homelessness, prevents adult homelessness and disrupts intergenerational cycles of disadvantage.

Youth Foyers are one of the critical solutions needed across the housing and homelessness service system that is proven to unlock thriving futures for more young people across Australia, with over 80% of Foyer residents exiting into safe and stable housing and 65% securing decent employment on exit.²⁵

There is both a moral and an economic case for investment in Youth Foyers, with governments generating a \$6 return for every additional dollar invested in Youth Foyers.²⁶

The Foyer Foundation and the FoyerInvest Consortium are making three recommendations for consideration by the Commonwealth in the National Housing and Homelessness Plan:

1. Focus on the unique needs of children and young people (16-254) as a priority cohort and direct investment specifically towards this cohort.

Young people need youth-specific social housing. Their needs are distinct from the needs of adults, and they require different solutions to successfully transition from an experience of homelessness towards a life of independence. Mutual Ministerial accountabilities across portfolios, including housing, education and employment should be featured in this plan to drive cross-agency collaboration and investment.

2. Invest in scaling Youth Foyers, an evidence-based solution to youth homelessness, from 20 to 50 Youth Foyers by 2030.

Scaling to 50 Foyers by 2030 would unlock outcomes for 20,000 young people over the subsequent decade, generating \$2.9 billion in government savings in this time period.²⁷

There is a pipeline of 14 Youth Foyers projects across Australia ready for investment and build within 2 years, and a further 17+ Youth Foyer projects being scoped and developed by communities and services across Australia that will be ready to build within 2-7 years.

FoyerInvest is a coordinated, professional consortium working collaboratively across service providers, philanthropists, state and territory jurisdictions, and communities across Australia to create the pathway for governments to take this solution to scale effectively and efficiently. The Foyer Foundation convenes this network and ensures high-quality services through a robust accreditation process.

3. Unlock new and underused funding mechanisms, including social impact bonds and payment-by-outcomes contracting, to support better outcomes for young people and drive collaboration between service providers, governments and the private sector.

A rigorous and shared focus on outcomes by both government and non-government partners will enable our service system to adapt and prioritise solutions that get results for children and young people, with evidence to demonstrate their success. One-to-many Payment-by-Outcomes contracts create a way to reduce transaction costs, make innovative funding models more accessible to smaller organisations, and take solutions like Youth Foyers to scale in multiple communities across Australia at the same time. Opportunities for

²⁵ Accenture 2022, p. 7.

²⁶ Accenture 2022 p. 23.

²⁷ Accenture 2022 p. 26.

philanthropy and the private sector to invest alongside government, for example through social impact bonds, enables government investments to go further.

The FoyerInvest Consortium unites young people, Youth Foyer service providers, philanthropists, impact investors and peak bodies around a shared purpose: to grow to 50 Youth Foyers by 2030 and unlock thriving futures for children and young people at risk of or experiencing homelessness. Convened by the Foyer Foundation, we operate at the national level, span state and territory jurisdictions, and work in a place-based way in 20+ communities across Australia. We are collectively committed to working with the Commonwealth Government to inform, shape and implement relevant aspects of the National Housing and Homelessness Plan.

Supporting materials

For additional information and in-depth insights into the Youth Foyer approach, please refer to the following:

1. Accenture: [Under One Roof Report The Social and Economic Impact of Youth Foyers](#), 2022
2. Brotherhood of St Laurence: [Education First Youth Foyer Outcomes Evaluation](#), 2019
3. KPMG: [Economic Evaluation of Education First Youth Foyers](#), 2019

These resources complement the information presented in this submission and offer a deeper understanding of the Youth Foyer Approach.