



SubmissionSYFSNationalHousingandHomelessnessPlan2023

19th October, 2023

National Housing and Homelessness Plan  
Department of Social Services,  
GPO Box 9820,  
Canberra. ACT. 2601.

To Whom It May Concern,

## RE: National Housing and Homelessness Plan Issues Paper

Thank you for the opportunity to contribute to the formulation of a new National Housing and Homelessness Plan. Developing a coordinated national approach to housing and homelessness policy will be an important step in addressing the housing crisis.

Southern Youth and Family Services (SYFS) provides services to children, young people, adults, and families who are disadvantaged, vulnerable, homeless, or at risk of homelessness, in the Illawarra Shoalhaven and Southern districts of New South Wales. We are seeing the consequences of the housing crisis every day in our work with these vulnerable populations. In this submission, we address some of the key questions raised in the Issues Paper, based on more than 40 years of experience in the housing and homelessness sector.

This submission is structured as follows. First, we provide some background information on Southern Youth and Family Services. Then, we provide comments on the following issues from the Issues Paper:

1. Purpose
2. The Housing System
3. Homelessness
4. Homelessness Services
5. Social Housing
6. Housing Costs, Home Ownership, and the Private Rental Market
7. The Importance of Planning, Zoning, and Development

### About Southern Youth and Family Services

Southern Youth and Family Services (SYFS) provides services to children, young people, adults, and families in the Illawarra Shoalhaven and Southern districts of New South Wales. The organisation was established in 1977, when a group of people in Wollongong who were concerned about homelessness and young people came together to establish a youth refuge. It opened its first service in January 1979 and has since grown to over 200 employees and 47 services. These services include social housing (approximately 220 properties), transitional housing and supported accommodation, outreach, early intervention, family relationship support, Out of Home Care residential and outreach support, financial and material assistance, skill development, psycho-social support, advocacy, information and referral, health and personal care, education (including a specific program for Aboriginal school students), training, and pre-employment support, community development/neighbourhood centre, a mobile preschool, and a multicultural playgroup. In 2022/23 SYFS provided substantial support to 5,401 young people and 2,970 families. In addition, we provided 15,048 instances of one-off or casual support. 28 per cent of SYFS clients were Aboriginal and 15 per cent were non-



English speaking. 11 per cent had had contact with the criminal justice system. Our programs are funded through a number of Commonwealth and State funding agreements, philanthropic donations, and social enterprise.

## **Purpose**

The National Housing and Homelessness Plan (NHHP) needs to articulate a clear vision for ending homelessness in Australia by ensuring that everybody has a safe, decent, and affordable home. The plan should aim to eliminate homelessness wherever possible, through reforms to the housing system, poverty alleviation, and homelessness prevention. It should recognise that people become homeless for a variety of reasons and ensure that support systems are in place so that when somebody does become homeless, they are able to exercise their right to housing and are prevented from becoming homeless again in the future for the same reason/s. The NHHP needs to build on the extensive existing body of knowledge, evidence, and experience on housing and homelessness policy, and articulate how the Government will make use of this to make changes to national policy in support of this goal.

Ending homelessness means having a focus on prevention but not at the expense of reducing the necessary crisis and transitional responses. Prevention can be embedded across the housing system, from universal measures that minimise the risk of homelessness such as poverty reduction, and ensuring an adequate supply of social and affordable housing, to support for people who have been through a homelessness crisis to prevent repeat homelessness. Sometimes people do become homelessness repeatedly, and not always for the same reason. The system needs to have the capacity to respond to these situations too, without prejudice.

Like many not-for-profit organisations operating in the housing and homelessness sector, SYFS operates across Federal and State jurisdictions. In Australia's federal system, responsibility for housing and homelessness policy is fragmented, leading to conflict and difficulties in implementing much-needed reform.<sup>1</sup> The National Housing and Homelessness Plan should aim to better coordinate services and infrastructure across jurisdictions to minimise conflict between different levels of government. As an example of this conflict, the homelessness sector and the Australian Services Union recently had to fight for the Commonwealth to reinstate the Equal Remuneration Order component of homelessness funding in the joint Federal-State programs under the National Housing and Homelessness Agreement.<sup>2</sup> While ultimately successful, this threatened the viability of services, generated enormous stress. The formulation of the NHHP provides an opportunity to clearly recognise what level of government has responsibility for each area of housing and homelessness policy and to ensure that Federal-State conflict over funding and other issues does not impact on frontline services. We are aware that the issue of accountability of the States to the Commonwealth has been one source of the ongoing tension. However, our view is that the reporting by States and Territories is adequate, and that an alleged lack of accountability is not significant justification for withholding Federal funds from joint-funded programs.

The NHHP should include a concrete model for how it will be implemented, with the newly created Housing Australia tasked with coordinating its implementation under the oversight of the National Housing Supply and Affordability Council. It should aim at reform to the housing and homelessness system without further adding to the red tape and administrative burden born by the agencies delivering services and to reduce these wherever possible.

There also needs to be a clear plan to increase capital infrastructure, including through capital grants to community organisations for homelessness and housing services. Capital grants are necessary to increase supply. They also assist providers to build their balance sheet, providing equity that can be leveraged to build more housing. Small and medium size not-for-profit housing providers should be supported and encouraged.

The NHHP must recognise the existence of diverse housing needs and diverse experiences of homelessness. Unaccompanied children and young people who are homeless or at risk have specific needs that are frequently neglected within the existing housing and homelessness systems. The Plan should include either stand-alone

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<sup>1</sup> Chris Martin et al., "Towards an Australian Housing and Homelessness Strategy: Understanding National Approaches in Contemporary Policy," *AHURI Final Report*, no. 401 (June 2023), <https://doi.org/10.18408/ahuri7127901>, p. 3.

<sup>2</sup> <https://homelessnessnsw.org.au/ero-homelessness-funding-saved/>

plans or detailed sub-plans that address the unique needs of these cohorts, including unaccompanied children and young people, who will otherwise continue to fall through the cracks in the housing and homelessness system.

## **Recommendations**

1. The NHHP adopt a rights-based approach to housing and homelessness grounded in the fundamental human right to a safe place to call home.
2. The NHHP aims to prevent homelessness through reforms to the housing system, poverty alleviation, and homelessness prevention.
3. The NHHP aims to coordinate service delivery across Commonwealth and State jurisdictions.
4. The NHHP includes a concrete model for implementation and an oversight mechanism and minimises ‘red tape’.
5. The NHHP recognises the diverse needs of specific cohorts, including unaccompanied children and young people.
6. The NHHP should include a plan for provision of capital grants to small and medium size not for profit community homelessness and housing providers to build supply and infrastructure.

## **The Housing System**

Australia’s housing system is in crisis. Recent research drawing on the 2021 Census conducted by the City Futures Research Centre at the University of New South Wales for the Community Housing Industry Association of Australia found that 640,000 low-income Australian households have unmet housing needs. Projections based on this research indicate that unmet housing need will rise to 940,000 households by 2041.<sup>3</sup> In the Wollongong LGA, where SYFS is headquartered, an estimated 5,400 households have unmet housing needs, with a further 1,900 in Shellharbour, and 3,200 in Shoalhaven.

The root cause of this crisis lies with Federal and State and Territory government policies that have supported the transformation of housing infrastructure from homes for people to a speculative financial asset class. Housing is Australia’s largest asset class valued at \$9.615 trillion in December 2022, almost four times the capitalisation of the Australia stock market. A policy environment that promotes speculative investment in rising housing asset prices is diverting capital investment away from the productive economy. This is producing a dangerously unbalanced economy and driving up inequality, with a fundamental division emerging in society based on access to housing wealth. To solve the crisis, we need to radically rethink our understanding of housing, particularly social housing, as a social infrastructure that guarantees the right to shelter. This will require courage and leadership from government, major shifts in financial and taxation policy, and a commitment to reduce inequality, and stop the increase in social division in Australia based on asset ownership. Changing the tax settings that fuel speculative investment in housing and drive up both house prices and rents would be transformative.

The NHHP needs to recognise explicitly that private markets cannot guarantee the right to shelter and that the private market is neither the only, nor the most important mechanism, for delivering shelter. Social housing is referred to in the Issues Paper as ‘housing for people with a housing need who are not able to access housing in the private market’ (p. 45). This suggests a default position in which private market housing is regarded as the normative housing type. The consequence of this reductive view over the long-term has been the privileging of private market housing, with social housing displaced from its important role in shaping the housing market and shaping our urban, regional, and rural environment. Having lost its central role in housing policy, social housing has been relegated to a residualised system that operates as part of a welfare safety net. This problem of residualisation occurs across the board of housing and homelessness policy, leading to a lack of policy focus

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<sup>3</sup> Ryan van den Nouwelant, Laurence Troy, and Balamurugan Soundararaj, “Quantifying Australia’s Unmet Housing Need” (Sydney: City Futures Research Centre, UNSW, November 2022), <https://cityfutures.adu.unsw.edu.au/social-and-affordable-housing-needs-costs-and-subsidy-gaps-by-region/>. Unmet housing need is defined in the study as homelessness, overcrowding, or spending over 30 per cent of household income on rent.

and lack of accountability.<sup>4</sup> Social housing is essential social infrastructure, as important as roads, schools, and hospitals to the functioning of society and is required in every city, town, and regional area to maintain social cohesiveness and economic stability.<sup>5</sup> It helps to drive down market rents, its construction can help to train a skilled workforce, and its support from government means it can help to initiate bold planning innovation that can shape our cities for the future. The NHHP is an opportunity for the Commonwealth to lead the transformation of our housing system based on the right to housing and a commitment to ensuring everyone in Australia has adequate shelter.

Excessive reliance on private rental housing in Australia's housing system has had a devastating effect on renters. Lack of access to social housing, which has been residualised as a welfare safety net, means that most renters must rely on the whims of private landlords to maintain tenancies. As an example of the difference, the average renter in private housing will have moved twice in the past 5 years, while public housing tenants have not moved in that time. The current Issues Paper relies excessively on the Productivity Commission's report on the National Housing and Homelessness Agreement, a report that is clearly biased in favour of private market solutions evident as a panacea for affordability.<sup>6</sup> Nothing could be further from the truth and the well-functioning housing systems of the Nordic countries, with their high proportion of social housing, belie this assumption. Australia's recent history demonstrates that many mistakes were made in thinking the private market could solve the housing affordability and supply issues. Notably, the community services industry has consistently advised against excessive reliance on the private market to address housing affordability and supply. We must begin to address this now because it will take strong commitment over many years to address the problems caused by this approach.

### **Tax Reform**

Negative gearing and the capital gains tax exemption for property investors have created major distortions in the Australian residential housing market.<sup>7</sup> These tax exemptions encourage speculative behaviour, result in suboptimal utilisation of housing stock, and are predominantly utilised by high-income households as a tax shelter.<sup>8</sup> While tax breaks for investment property are not the only cause of high housing costs, they are an important component of the issue. Additionally, the number of new dwellings constructed every year represent a very small proportion of overall available housing in any given year, as the majority of housing available in the market consists of existing dwellings. As a result, tax and regulation settings that aim only to address housing supply will not make housing sufficiently affordable as they will be operating in a context where taxation policy setting are artificially stimulating demand for housing.

Australia is one of the few countries in the world where negative gearing is able to be applied against *any* source of income, including wages earned from labour.<sup>9</sup> Additionally, the halving of capital gains tax for investment properties means that high income earners can not only *defer* their tax liabilities until the point of sale of investment property, but *permanently* reduce them, allowing high income earners to exempt themselves from progressive taxation. In the long run, this has led to growing inequality in Australian society. In the 2014-2015 tax year, 73.2% of the total capital gains tax benefits went to the top 10% of society, and 62.2% of negative gearing benefits went to the top 30% of society.<sup>10</sup> Negative gearing has allowed high earners to amass large property portfolios while tax revenues have declined, and social housing construction has stagnated.

The Australian housing market is overwhelmed with demand due to incentives offered through the tax system, and these taxation settings prevent low- and medium-income earners, and especially young people, from being

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<sup>4</sup> Chris Martin et al., "Towards an Australian Housing and Homelessness Strategy: Understanding National Approaches in Contemporary Policy," *AHURI Final Report*, no. 401 (June 2023), <https://doi.org/10.18408/ahuri7127901>, p. 3.

<sup>5</sup> SGS Economics and Planning, *National Housing Assistance Policy: Trends and Prospects* (Canberra, April 2023).

<sup>6</sup> Productivity Commission, "In Need of Repair: The National Housing and Homelessness Agreement," Study Report (Canberra, August 2022).

<sup>7</sup> [https://percapita.org.au/wp-content/uploads/2022/04/VF\\_Housing-AffordabilityReport\\_Final.pdf](https://percapita.org.au/wp-content/uploads/2022/04/VF_Housing-AffordabilityReport_Final.pdf)

<sup>8</sup> Grudnoff, M. (2015) *Top Gears: How negative gearing and the capital gains tax discount benefit the top 10 per cent and drive up house prices*. Policy Brief. The Australia Institute: Canberra.

<sup>9</sup> Adkins, L. et al., (2021), p. 557

<sup>10</sup> Grudnoff, M. (2015), p. 5

able to access mortgage finance at a cost that is sustainable for them. As a result, increasing numbers are consigned to a lifetime of renting, where security of tenure is weak by global standards and housing is of lower quality, often being dangerous to health.<sup>11</sup> The abolition of negative gearing and the capital gains tax discount would go some way to addressing this issue. Inequality in the housing market would be mitigated, and increased revenues from taxation could be reinvested in an ambitious project of social housing construction, financed by the Commonwealth and operated by Community Housing Providers.

## **Poverty**

While recognising that the NHHP is primarily focused on housing and homelessness policy, poverty and inequality are the key structural drivers of homelessness. Of 640,000 households identified by UNSW as currently having unmet housing needs, 68 per cent were in the lowest household income quintile.<sup>12</sup> Only by raising the low rates of income support payments will we be able to make a substantial difference to homelessness, particularly for groups who experience higher rates of disadvantage and vulnerability such as young people, First Nations people, people from a CALD background, people with disabilities, and older people. It is within the Federal Government's power to lift people out of extreme poverty by raising the rate of income support payments to above the poverty line.

To make a significant dent in inequality, however, poverty alleviation needs to be funded from increased tax revenues on wealth. Speculative financial investments and complex financial instruments do not change the fundamental economic structures that produce inequality. Redistributive taxation policies, on the other hand, help ensure that the socially-produced wealth of Australia is shared more equally across society.

## **Recommendations**

1. Make social housing the centre of housing policy and use social housing to shape the housing market to reduce inequality and ensure everyone enjoys the right to a home.
2. Abolish negative gearing and the capital gains tax discount to remove perverse incentives fueling speculative investment in housing.
3. Raise the rate of Job Seeker, Youth Allowance, and other income support payments to at least \$78 per day to help people living in poverty to secure accommodation and prevent homelessness.

## **Homelessness (3.1)**

Southern Youth and Family Services has extensive experience providing support to unaccompanied children and young people who are homeless or at risk of homelessness. We therefore concentrate in this submission on the issue of child and youth homelessness, which is often neglected in homelessness policy.

### **Child and Youth Homelessness**

As noted in the Issues Paper (p. 25), child and youth homelessness is a growing problem in Australia, with children under the age of 12 the fastest growing cohort of homeless in 2021. The Australian Institute of Health and Welfare (AIHW) data for 2021-22 shows that young people presenting alone made up around 14 per cent of all SHS clients in 2021-22.<sup>13</sup> It is likely that official statistics significantly underestimate the level of child and youth homelessness, as many unaccompanied children and young people are unaware of what support services exist and/or do not seek support.<sup>14</sup> Significantly, young people leaving statutory care arrangements make up just 2% of users of homelessness services but they make up a high proportion of repeat service users.

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<sup>11</sup> Martin, C., Hulse, K. and Pawson, H. with Hayden, A., Kofner, S., Schwartz, A. and Stephens, M. (2018) *The changing institutions of private rental housing: an international review*, AHURI Final Report No. 292, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/292>, doi:10.18408/ahuri-7112201.

<sup>12</sup> Ryan van den Nouwelant, Laurence Troy, and Balamurugan Soundararaj, "Quantifying Australia's Unmet Housing Need" (Sydney: City Futures Research Centre, UNSW, November 2022), <https://cityfutures.ada.unsw.edu.au/social-and-affordable-housing-needs-costs-and-subsidy-gaps-by-region/>.

<sup>13</sup> <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/young-people-presenting-alone>

<sup>14</sup> <https://theconversation.com/yes-we-see-you-why-a-national-plan-for-homelessness-must-make-thousands-of-children-on-their-own-a-priority-200918>

The consequences of homelessness for children and young people are serious. Chamberlain and Johnson found that a large proportion of people who became chronically homeless as adults had their first experience of homelessness before they turned 18.<sup>15</sup>

Children under the age of 18 who flee or are excluded from the family home typically become homeless because of violence, abuse, or neglect in the home, or an unresolved support issue for the child. The AIHW Specialist Homelessness Services data shows that 16 per cent of children and young people presenting alone to SHS services cited family and domestic violence (FDV) as their main reason for seeking assistance with 35 per cent having experienced FDV.<sup>16</sup> The National Plan to End Violence Against Women and Children 2022-2032 outlines a strategy to end gender-based violence and makes important commitments to prevention, early intervention, response, and recovery. However, the plan tends to see children as extensions of their mothers or female carers. It does not adequately address the needs of unaccompanied children and young people who are experiencing or are at risk of homelessness due to domestic and family violence. As a consequence, unaccompanied children and young people experiencing DFV cannot access the same response and opportunities that adult women and their accompanying children receive. We need to address and adequately fund both cohorts, with funding for services and capital funding for infrastructure.

Unaccompanied children often slip through the gaps in the child protection system and end up cycling through youth refuges, couch surfing, and staying in unsafe or inappropriate accommodation without parental or parent-like supervision. This places them at further risk of harm. Where family restoration is not achieved, or is not appropriate, unaccompanied children can end up in the homelessness system but for children under the age of 16 this is not appropriate. The homelessness system lacks the appropriate legal authority to provide the parental support children need. As will be outlined below, the child protection system must be strengthened to ensure unaccompanied children are not left without the protection of a guardian. In NSW we have developed a policy identifying the responsibilities of Specialist Homelessness Services (SHS), Homeless Youth Assistance Program (HYAP) and the Department of Communities and Justice (DCJ), responsible for child protection for young unaccompanied people under the age of 16 (see below for the section on child protection). While only recently implemented, it provides an example of how the NHHP can address the intersection between the youth homelessness sector and child protection.

Homelessness often looks different for unaccompanied children and young people. They are less likely to be experiencing highly visible forms of homelessness such as sleeping rough, and more likely to be couch surfing, living in supported accommodation, or living in severely overcrowded conditions. Young people earn lower incomes than adults, and if they are on income support payments they receive less. This means that access to the private rental market is even more difficult for them. Lack of effective guardianship and lack of transport mean that unaccompanied children and young people who are homeless also have difficulty accessing mainstream services, including health, education, and other support services. Homeless youth are overrepresented in detention, with hundreds detained in New South Wales alone each year simply due to lack of a home address.

Child and youth homelessness requires a different response from adult homelessness because children and young people have different developmental needs that may not always be recognised in understandings of homelessness based on adult experiences. It is important to note that while the Issues Paper refers to ‘Young people (12 to 24 years)’, people aged under 18 years of age are still children. Their development needs must be addressed alongside their lack of accommodation. Specialist services such as SYFS provide much more than a roof for these children and young people. Skilled youth workers provide persistent support for the client’s development. This includes, for example, support to reconnect with or stay engaged in schooling or to find alternative education and training options when the young person is unable to attend school or has finished

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<sup>15</sup> C. Chamberlain and G. Johnson, ‘Pathways into Adult Homelessness’ *Journal of Sociology* 49(2013): 60-77.

<sup>16</sup> AIHW, ‘Young people presenting alone’, *Specialist Homelessness Services Annual Report 2021-22*, 8 December 2022, <<https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/young-people-presenting-alone>>

school. The housing and homelessness needs and priorities of young people have not been adequately identified or addressed within the NHHP, the National Plan to End Violence Against Women and Children 2022-2032, or the National Framework for Protecting Australia's Children 2021 – 31.

### **Recommendation**

1. The NHHP needs to consider the different needs of unaccompanied children and young people to design a housing and homelessness system that can more effectively respond to those at risk, or those already experiencing homelessness.
2. The NHHP should ensure that the system adequately offers practical ways to manage the intersection between children under the age of 18, especially under-16s, and state and territory child protection systems and homelessness services. We do not want the homelessness system to end up by default taking responsibility for these children.

### **Homelessness Services (3.2)**

Homelessness services are facing growing challenges, with soaring demand, inadequate funding, and a lack of exit options placing pressure on short-term and emergency beds. In 2021-22, homelessness services in New South Wales were unable to assist 71,962 people who came to them for help.<sup>17</sup> In the NSW youth homelessness sector, we know that one in two unaccompanied children and young people who ask for an emergency accommodation bed for the night will be turned away. Resourcing the homelessness system and providing trauma-informed care, and other models of quality support and intervention, is expensive and takes a long time. The NHHP needs to recognise the need for ongoing, sustained, and significant funding by the Commonwealth of homelessness services as well as joint Commonwealth-State funding.

### **Administration, Funding, and Indexation**

The NHHP presents an opportunity for an overhaul of the funding model for homelessness services. At the present time, funding for housing and homelessness programs rarely covers the full cost of delivering the contracted services. We need a thorough reform of funding frameworks so that they are adequate to cover the full cost of service delivery, including for the provision of high-cost 24-hour staff costs where required. Funding arrangements should be stable and long-term but contain enough flexibility to allow agencies to innovate. The NSW youth sector did substantial work with the Department of Community Services and Justice (DCJ) on the funding base for Crisis and medium-term services and Foyer services and this could be used in the development of better funding formulas.

Indexation is one of the major issues in the housing and homelessness programs that needs to be addressed in the NHHP. Over a long period of time, the Commonwealth has failed to provide a fair and reasonable level of indexation for the homelessness and other joint Commonwealth/State programs. Most staff in the homelessness sector are paid under Awards. Indexation needs to be provided at a level that fully covers National Wage case decisions, Award changes, superannuation, and workers compensation insurance costs. This is crucial as the wage component usually is based on approximately 70% to 80% of the grant. For the non-wage components of the grant, an adequate amount of indexation based on movement in the Consumer Price Index is also required.

Another significant issue posing challenges for the administration of homelessness services is the ever-expanding demands to collect more and more data. While high-quality data is important for program evaluation, it needs to be recognised that data collection takes time and can divert organisational resources away from providing direct care. The NHHP could establish a meaningful minimum data set for use across the sector, reducing the need for multiple overlapping data collection systems. The AIHW with a community working party did do this and we should resist the temptation to keep adding to it without reducing unnecessary items.

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<sup>17</sup> AIHW, Specialist homelessness services annual report 2021-22, Table UNASSISTED.2, <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/data>

## **Supported Accommodation and Capital**

Short-term crisis accommodation is a critical part of the homelessness services system and crisis services need to be available, effective, and well-resourced. But these services work best when there are adequate exit points from them. Young people's housing needs change over time and there needs to be tailored supports and housing options for them. Where it is neither safe, nor appropriate for young people to return to live with their family, or supportive relative, they need longer-term accommodation with support through a range of housing models.

Homelessness providers need access to a dedicated capital funding stream for infrastructure that is separate from, and additional to, social housing funding. This must include funding for crisis and short-term services as well as medium-term and transitional supported accommodation. In NSW there is a dire lack of medium-term supported accommodation across the state, especially in regional areas. Across the Southern Tablelands and Southern NSW there is not one medium term service for young people. This means that people cannot exit crisis services, leading to blockages in the system. In many cases, the capital grants that are available require agencies to make significant co-contributions. For small to medium not-for-profit agencies, this is a significant barrier to accessing capital. There has also been an increasing tendency for funding arrangements to become excessively complicated. Capital grant funding is the most cost-effective way for government to support infrastructure development in the homelessness sector.<sup>18</sup>

## **Workforce**

The homelessness services sector makes significant demands on its workforce, who work with people who are experiencing trauma, and negotiate challenging situations daily. 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. Yet despite the essential and demanding nature of the job, wages are low. This contributes to making it difficult to attract and retain staff. Homelessness services across Australia are having difficulty recruiting and retaining staff. The sector needs stable funding arrangements that reflect the true cost of delivering services. The recent National Wage Case decision provided a welcome boost to staff wages in the sector but without adequate indexation to cover these increased costs, the result is further pressure on services.

Red tape and onerous requirements to secure employment in what is a low-paid industry are further barriers to recruiting enough staff. In NSW, for example, employment in a statutory out-of-home care setting now requires registration with a Carers Register. This is in addition to existing Working With Children and Police Checks and compliance with organisational employment policies. Though a well-intentioned policy intended to protect children in statutory care from abuse, the need for staff to be registered prior to employment adds yet another regulatory burden to what is already a difficult recruitment environment. As part of their registration, staff in statutory care in NSW are expected to have diploma-level qualifications but the pay is not commensurate with this and no additional pay is available based on these higher qualifications. While professionalisation is one mechanism for recognising the high-level skills required to work in youth homelessness and statutory care, there needs to be some incentive for staff and/or a system to support them to achieve these qualifications. Currently, agencies such as SYFS have to foot the bill for training staff to this higher level without any guarantee that the staff will remain with the employer. The NHHP presents an opportunity to address this situation.

## **Prevention and Early Intervention**

Like many homelessness services, SYFS dedicates significant resources in preventing people who are at risk of homelessness from becoming homeless. This work is time-consuming and requires specialist skills. It might involve supporting a person at risk of homelessness to access their Centrelink entitlements, helping them to navigate a dispute with their neighbours or landlord that is threatening their tenancy, or providing complex support during family conflict or legal problems. The NHHP can support the adequate resourcing of these prevention activities, recognising that whatever the cost it is much less than the cost of dealing with a homelessness crisis. If homelessness services are adequately resourced, they are well placed to deliver early intervention services at the earliest opportunity where a risk of homelessness has been identified. In its recent

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<sup>18</sup> Julie Lawson et al., "Social Housing as Infrastructure: An Investment Pathway," *AHURI Final Report*, no. 306 (November 15, 2018), <https://doi.org/10.18408/ahuri-5314301>, pp. 94-98.



review of the National Housing and Homelessness Agreement, the Productivity Commission recommended that prevention and early intervention be a priority in subsequent agreements, with its own dedicated funding stream. They recommended a focus on at-risk groups including young people and people leaving care.<sup>19</sup>

To prevent homelessness it is necessary to address the areas of Federal and State policy where existing systems are failing and thereby contributing to homelessness. The child protection system is a stand-out in this regard which we address further below. Similarly, child and family services, domestic and family violence supports, health and mental health services, inadequate income supports and rent assistance programs all contribute to making people homeless. We need a long-term plan to address the shortfall in funding and systems issues in the State and Commonwealth to address the links of these systems and to work towards preventing homelessness including:

- Family support services
- Brokerage to kinship or other alternative care
- Child and adolescent mental health
- Child and adolescent drug and alcohol supports
- Support for young people who are victims of violence or who use violence
- LGBTIQ+ support services
- Support for care leavers
- Targeted early intervention
  - Family mediation like Reconnect
  - Brokerage to kinship or other alternative care
  - Support for young people who are victims of violence or who use violence

While prevention and early intervention responses are critical, we must be cautious. Prevention and early intervention are not substitutes for an adequately resourced homelessness system. SYFS provide a range of early intervention services funded through State and Commonwealth programs. Earlier reforms to the Specialist Homelessness Services system in 2014 added early intervention as well as other requirements to services that were already stretched and under-resourced. Reconnect is one prevention program that has been evaluated positively but there are not enough Reconnect services and many areas do not have such services available. The Reconnect Program needs to be expanded.

However, prevention and early intervention initiatives must be in addition to, and not a substitute for, the support services available when someone does become homeless. The range of early intervention services provided by us and others has not reduced the unmet demand for crisis and transitional accommodation. Early intervention responses are essential, but a variety of models and strategies must be available supported by exit options into longer-term supported accommodation and social housing. Like other parts of the homelessness service system, early intervention services are already operating at capacity. The largest gap identified by the Reconnect Services for successful early intervention is the lack of safe, suitable and appropriate accommodation where a young person cannot reside in a safe family situation. Young people usually need medium to long term supported, transitional housing providing them with a graduated move to independence.

The needs of homeless young people are best supported via a variety of models that can cater to their varied developmental stages and life experiences. Young people require the necessary support to successfully transition to adulthood and independence. The housing needs of youth will also change over time, maturity and income levels and therefore the options offered must be tailored to their circumstances. Homelessness supports for young people should include crisis/emergency and/or short term/respite accommodation, medium and long-term supported housing, a range of transitional housing arrangements, semi-supported scattered site housing through to independent affordable housing, including social housing options.

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<sup>19</sup> Productivity Commission, “In Need of Repair: The National Housing and Homelessness Agreement,” Study Report (Canberra, August 2022), p. 211.

## **Child Protection**

As was noted in the section on child and youth homelessness above, children under the age of 16 need access to a child protection response. In New South Wales, the specialist Homeless Youth Assistance Program (HYAP) was developed following the *Going Home, Staying Home* reforms of 2014-2015 with a specific focus on supporting unaccompanied children who are homeless or at risk of homelessness. The homelessness services sector in NSW worked closely with the NSW Department of Communities and Justice (DCJ), which is responsible for both homelessness prevention and child protection, on a policy response to attempt to address the drift of children into homelessness services. This collaboration led to the introduction of DCJ's *Unaccompanied Children 12-15 Years Accessing Specialist Homelessness Services Policy* (the Under-16s Policy) in July 2021. This policy sought to address the following objectives:

1. That a child who is homeless or at risk of homelessness is safe.
2. That where possible and safe, the child should be returned home as soon as possible, and that no child will 'drift' in the homelessness system without a realistic exit plan.
3. That where a return home is not possible in the short term, a coordinated case plan be developed as early as possible in the support period with the aim of achieving a sustainable transition for the child out of SHS/HYAP. A coordinated case plan may involve the SHS/HYAP providing either direct support or referrals to other youth services to ensure the child's needs are met.

This policy was formulated because children over the age of 12 often slip through the gaps in the child protection system and end up cycling through youth refuges, couch surfing, and staying in unsafe or inappropriate accommodation, without parental or parent-like supervision. This policy recognises that the homelessness system is not suitable for children, that they cannot remain indefinitely in the homelessness system, and that where prompt family restoration is not possible, then the child protection system must assume responsibility for them. It outlines a pathway for homelessness services to escalate concerns within DCJ if satisfactory progress has not been made in finding a safe and permanent place for an unaccompanied child in their care. Sometimes statutory care, including residential out-of-home care, is the safest place for a child to be.

This Policy is in its infancy and not perfect but it is a positive contribution to the action that is required. The early signs from the implementation of this policy in NSW, are that it is working well and could be adapted for use nationally, with variations based on age and other issues in the States and Territories. It is critical that the NHHP clearly demarcate the limits of the homelessness service system and where responsibility lies with State and Territory child protection systems. At the same time, there is a need for some flexibility to ensure homelessness programs can respond to make sure that children and young people are adequately supported and that the Federal and State Government have adequate strategies and definitions to ensure a well-functioning system.

## **Housing First**

SYFS has concerns about the focus on the Housing First model in the Issues Paper. It is not a universal response to improve outcomes for people experiencing, or at risk of, homelessness, or the service system response to homelessness. No single model can be applied to all situations and there is no need to continuously look overseas for successful models. Our very strong view is that Housing First is one model, but there are many effective models, and that we need a range of different models, responses, and strategies to address the overarching problem. Different target groups, different geographical areas, and different types of homelessness will require a range of responses. There is no one answer.

There seems to be a widespread misunderstanding in discussions of Housing First between the notion of housing as a human right and the specific Housing First model of service delivery. The Housing First model was developed, and has shown some successes, in addressing the needs of adults who experience homelessness, particularly chronic homeless individuals with significant mental health and /or addiction issues. The underlying principle is that homeless people are housed in permanent and stable housing without any preconditions to facilitate recovery. Housing in this model is not contingent upon 'readiness' or compliance with set of conditions. It differs from treatment first approaches, where homeless adults are placed in temporary accommodation and must address certain personal issues before they are considered 'ready' for housing. Under

Housing First, housing is secured first and then a multidisciplinary team of support workers is made available to address other issues/needs such as drug and alcohol counselling, mental health treatment etcetera. Engagement with these support services is not required for the person to maintain their housing.

The Housing First model was developed for adults but there have been cases where it has been applied to support youth without having been adapted to their needs, their stage of development, or their skill and experience levels in managing additional, adult pressures (such as paying bills, budgeting on low incomes, tenancy maintenance, etc.). In such cases, the model is unlikely to lead to a successful outcome. There are many problems with the Housing First Model and it is not a solution for everyone. It is expensive and sourcing adequate housing is a problem. There are also many cases where simply housing people, who may or may not access supports for other areas of their lives can result in higher levels of isolation, ill health, and death. Critically, it must also be recognized that Housing First can only be successful if there are sufficient supported accommodation facilities and/or social housing stock available to provide the housing component of the model. Currently, the desperate shortage of social housing and permanent supported accommodation places available in Australia makes implementation of the Housing First approach almost impossible. The NHHP needs to have a focus on improving the availability of supported accommodation and social housing if this and other models are to have a chance to work properly.

### **Challenges in regional and rural areas**

Southern Youth and Family Services operates in regional and rural areas in the Illawarra Shoalhaven and Southern districts of New South Wales. Across these service areas, there is a general lack of social infrastructure including homelessness services and social housing. Furthermore, we are often asked to accept referrals from out of area due to a lack of places for young people. Operating in regional and rural areas brings with it unique challenges. We operate the Homeless Youth Assistance Program within the Southern district, where staff have to cover large distances. This means there is greater expenditure in terms of travel costs and staff spend more of their time travelling, meaning they can see less clients in a given amount of time. Petrol costs are very high and rising and large distances make this problem more acute. Similarly, insurance costs are growing. Funding agreements rarely reflect these realities and do not adequately account for the additional costs involved. These factors mean that services have had to be limited or are unavailable in many regional and rural areas.

Services in regional and rural areas also struggle due to the lack of exit options to medium-term and other accommodation and housing types. We operate crisis youth refuges in Queanbeyan and Goulburn, for example, but there is no medium-term accommodation available in the whole of the Southern district that can accept clients ready to move on from crisis accommodation. Private rental accommodation is limited and where it is available is typically beyond the means of young people to pay. This creates blockages in the system. Young people cannot find a stable situation from which to finish their education, gain skills, and reestablish their lives after experiencing a homelessness crisis. Providers need access to a capital funding stream to enable them to purchase and/or build additional infrastructure to fill this gap. Young people have different needs and require a variety of service models so that they can find an appropriate place from which to rebuild their lives.

The NHHP needs to outline a plan for increasing the service infrastructure in the regions.

### **Recommendations**

1. The NHHP must state the need for all housing and homelessness programs funded by the Commonwealth, States and Territories, have provision for adequate indexation that accounts for the full increase in the cost of delivering services, including National Wage Case decisions and CPI. As an instrument for improving Commonwealth-State coordination, the NHHP should outline how the Commonwealth will contribute its full share to joint-funded programs.
2. The NHHP needs to provide for a capital funding stream to support the growth of medium-term and transitional supported accommodation places across the country, particularly for young people.
3. The NHHP must take seriously the workforce challenges and through better funding, adequate indexation and longer contract terms enable better staff retention.

4. The NHHP should have a focus on homelessness prevention while recognising that this is in addition to, not a substitute for, crisis responses.
5. The NHHP should clearly articulate the limits of the homelessness system when it comes to ensuring child welfare and reinforce the existing statutory responsibilities of State and Territory child protection systems for unaccompanied children. Strengthening child protection responses will help to prevent child homelessness.
6. That the NHHP recognise a range of different models are needed to cater to the different needs of homeless people.
7. That the NHHP recognise the unique challenges of providing services in rural and regional areas and include a mandate for ensuring adequately funded services able to operate across Australia.

## **Social Housing**

Across Australia, there is a major shortfall in social housing. Long waiting lists are creating trauma for vulnerable people, with a recent study of waiting for social housing finding that waitees felt ‘powerless and anxious’, and that ‘they were abandoned and deemed unworthy by governments and society’.<sup>20</sup> To house the 940,000 Australian households expected to have unmet housing needs by 2041, we need an ambitious social housing building program. UNSW estimates that to meet these unmet housing needs over a twenty-year period would require an average of 6.5% growth in the non-market housing stock, equating to 47,000 homes per year.<sup>21</sup>

For young people, access to social housing is still important but it must be recognised that unaccompanied children and young people are rarely able to access social housing, nor would it be the most suitable form of accommodation for most of them. While there are a few youth-focused Community Housing Providers such as Southern Youth and Family Services, the business model for most community housing does not allow for the additional cost of providing the support at-risk young people need that other young people receive from their families. Specialist youth housing providers need to be supported to transition these young people into supported social housing places and maintain appropriate levels of support, while enabling the young person to develop their independence. Youth are at a disadvantage for the provision of social housing as they are on lower incomes than adults and rent is calculated on income. Increasing subsidies for those social housing providers that house young people as well as providing targets for the provision of social housing for youth should be priorities.

Small and medium-sized Community Housing Providers housing providers are at a disadvantage when it comes to accessing grants for securing/building social housing due to lack of resources to contribute either land, money etc. One way to address this disparity would be to fully fund the costs of building social housing for smaller providers, especially in rural and regional areas. Direct financing through capital grants (not partial grants) is the cheapest and most effective way to generate affordable housing supply.

## **Recommendations**

1. That the NHHP sets a target of 6.5% growth in the social housing stock to 2041 to ensure adequate social housing is available to meet projected unmet housing need.
2. That capital grant funding be prioritised as the primary means of funding for Community Housing Providers to deliver social housing.
3. Set aside a dedicated stream for youth-specific housing from the Housing Australia Future Fund, Housing Accord, and other current and future social housing capital funding streams.

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<sup>20</sup> “Waithood: The Experiences of Applying for and Waiting for Social Housing,” *Waithood: The Experience of Waiting for Social Housing* (blog), August 2, 2023, <https://waitingforsocialhousing.com/2023/08/02/waithood-the-experiences-of-applying-for-and-waiting-for-social-housing/>, p. 7.

<sup>21</sup> Ryan van den Nouwelant, Laurence Troy, and Balamurugan Soundararaj, “Quantifying Australia’s Unmet Housing Need” (Sydney: City Futures Research Centre, UNSW, November 2022), <https://cityfutures.adu.unsw.edu.au/social-and-affordable-housing-needs-costs-and-subsidy-gaps-by-region/>.

## **Housing costs, home ownership and the private rental market in Australia**

Home ownership remains a central tenet of Australian government policy and an ideal to which the majority of people are seen to aspire. The reality, however, is that home ownership rates peaked at just over 70 per cent in 1966 and had trended downwards to 66 per cent by 2021. While home ownership is an important form of housing in Australia, it must be recognised that a third of Australians obtain housing through rent, whether in the private market or in social housing. For young people, home ownership has always been out of reach and is likely to become more unobtainable in the future.

To ensure adequate housing is available for young people, national policy needs to recognise rental housing, including social housing, on a par with home ownership as a critical form of housing tenure. Private rental housing as a sector currently makes up 26 per cent of Australian households and has expanded at the expense of both home ownership and social housing. Significant tightening of regulation of private rental in Australia is required to prevent exploitation of vulnerable tenants. Fears that tighter rental regulation and increasing tenants rights would lead to a flood of landlords selling properties and reducing the available rental stock were found to be unfounded in a recent AHURI study of the issue.<sup>22</sup>

Unfortunately we are still seeing government policies at both Federal and State level focus on home ownership, particularly through first home buyers grants. Ongoing government support for home ownership in the form of first home buyers grants and schemes is not a cost-effective use of public money and is not well-supported by the evidence according to the Productivity Commission. The Commission found that these grants actually drive up the cost of housing, making affordability worse. These schemes ought to be phased out, with the savings redirected towards social housing and homelessness programs.<sup>23</sup>

### **Commonwealth Rent Assistance**

Commonwealth Rent Assistance (CRA) provides vital support to people on low incomes who are at risk of homelessness, particularly in the current extreme rental market. The Commonwealth's recent commitment to lift Commonwealth Rent Assistance was extremely welcome. However, the increase was not sufficient to make a real difference in the ability of people on low incomes to pay spiralling rental costs. The Australian Council of Social Services is calling for a 50 per cent increase in Commonwealth Rent Assistance in the current housing crisis. In order to improve equity, the plan should seek to improve access to CRA by making it available to all low-income households. In the longer term, it should be recognised that spending on social housing is the most effective way to reduce rental stress and therefore to reduce budgetary pressure on CRA.

### **Recommendations**

1. Phase-out first home buyers grants and schemes in favour of more cost-effective and equitable approaches to housing security.
2. The NHHP enshrines a national approach to strengthening renters rights.
3. Increase access to Commonwealth Rent Assistance in the short-term while building additional social housing stock.

## **The importance of planning, zoning and development**

Planning, zoning, and development policy all have important roles to play in addressing the housing crisis. We have some concerns, however, that an excessive focus on planning reform will not have the desired result of increasing housing supply. Unless developers are compelled to develop the land made available through rezoning policies, they will tend to restrict their development activities to keep the price of new houses high. There is evidence that this practice, known as 'land banking', is already what is happening in Australia.<sup>24</sup>

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<sup>22</sup> <https://www.ahuri.edu.au/analysis/news/improving-tenancy-laws-hasnt-stopped-rental-investment>

<sup>23</sup> Productivity Commission, "In Need of Repair: The National Housing and Homelessness Agreement," Study Report (Canberra, August 2022), pp. 31-32, 47.

<sup>24</sup> Jesse Hermans and Emily Sims, "Planning Deregulation, Housing Supply and Affordability: What If Land Markets Are Monopolies?" (Prosper Australia, December 2022).

Government land agencies can play a major role here that goes beyond their current restricted role in providing land for private development. These bodies could be repurposed to promote affordability.

Not-for-profit Community Housing Providers face significant hurdles in the planning system to building social housing. One way to develop more social homes would be through the provision of streamlined development approval pathways to not-for-profit providers. If social housing is viewed as essential social infrastructure, then it makes sense to support it through the planning system and to recognise the difference between for-profit housing developments and developments whose primary aim is to build permanent social housing. We would also like to see exemptions for not-for-profits from some of the costs of development approvals and/or a dedicated funding stream to assist small-to-medium Community Housing Providers to develop shovel-ready developments.

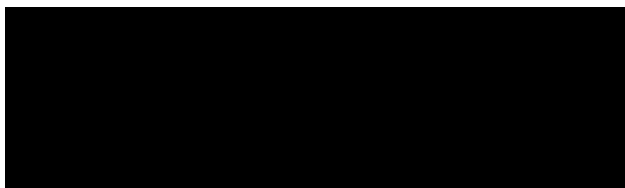
Another area where the planning system could be used effectively to increase the availability of social housing is through mandatory inclusionary zoning, which requires developers undertaking projects over a certain size to set aside a percentage of the development for social housing. This would ideally be managed by a Community Housing Provider. For mandatory inclusionary zoning to be effective, the percentage of social housing required to be built must be significant.

### **Recommendations**

1. Regulate the release of government land to prevent land banking and increase the proportion of upzoned land set aside for social housing.
2. Provide streamlined development approval pathways for not-for-profit Community Housing Providers.
3. Adopt mandatory inclusionary zoning to help grow the supply of social housing.

We thank you for the opportunity to make a submission to the National Housing and Homelessness Plan and look forward to the positive changes that such a plan will usher in for the housing and homelessness sector and for the community as a whole.

Yours faithfully,

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