

NSW State 2023-24 Budget

Shelter NSW Submission to the NSW Treasurer

A secure home for all

11 August 2023



Introduction

The 'housing crisis' continues to dominate the national, state and local conversation. A change of government at the state and commonwealth level have brought much needed oxygen, leadership and funding to the debate. Shelter NSW appreciates commitments made by the NSW Government to respond to the housing crisis – from its efforts to reform tenancy law in the private rental to its plans to create additional social and affordable housing on government land.

Despite this, NSW is not well-placed to respond to the precarious economic conditions of the mid-term, let alone the longer-term trends of an aging population and income/wealth inequity. Lack of access to affordable housing, whether it be as renter or homeowner, risks entrenching disadvantage and generational inequity.

It is clear that under current taxation and other settings, the private housing market, now also functioning as a much-sought out investment class cannot deliver truly affordable housing when and where it is needed. The private housing market, even when awash with supply has never reliably met the needs of low-income people especially from vulnerable cohorts.

Responding to acute housing stress and homelessness in a crisis mode is expensive and inefficient for Government and the community sector. Costs are borne across multiple public arenas such as health, justice and education. **Preventing homelessness and chronic housing stress is smarter and fairer.**

But this requires a stock of well-designed, secure and affordable social, specialist and transitional housing where and when it is required. Only Government has the power, resources and policy mechanisms to address this.

At Shelter NSW we believe that growth should be fair and inclusive – improving the life of all people; built on the foundation of a secure home for all. NSW Treasury forecasts that NSW needs an average of 42,000 additional homes every year over the next 40 years ¹. A substantial expansion of the social housing dwellings in NSW over the next decade will build a solid asset base for the state; restore the social housing safety net of 5% of all housing stock and work towards 10% of all stock by 2040 (2050 at the latest). Stock of this size would create a meaningful alternative to the private rental sector, in terms of affordability, accessibility, amenity and security.

NSW requires a variety of housing and homelessness measures and commitments. Without them, we fear a worsening of damaging homelessness, in all its forms across NSW – a trend that will eventually demand a significant and expensive response and more generally, may undermine community cohesion and the progress of the state. These measures will prevent homelessness, support economic development and employment across the state including in regional towns.

We acknowledge the fiscal challenges facing the NSW Government but call on it, in conjunction with the Commonwealth, to make a series of targeted investment in the broader housing and homelessness system to address the most acute current needs but prevent the further worsening of homelessness and serious financial housing stress currently being experienced by low-income people.

¹ NSW Treasury (2021), op. cit at p57

The people we represent

- Lower income people but especially renters (43% of all renters, over 335,000 households in NSW) continuing to struggle with rental stress?
- Core groups that are particularly vulnerable: the very young and older people (especially women); people with disabilities, women and children fleeing domestic family violence; disadvantaged groups amongst First Nations communities
- Low paid essential workers who otherwise don't qualify for social housing
- Low income people in regional NSW

Our key alliances



About this submission

Shelter NSW took a comprehensive [policy platform to the NSW State Election](#) (summary below). In this submission we will focus on items requiring specific investment by the NSW Government, but note that our calls for reform across the housing system remain firm



Key Shelter NSW Budget Asks for NSW in 2023-24

1. Major social housing stock expansion program (build or buy).

Develop a genuine alternative to the private rental market for low-income people.

Restore the social housing safety net to 5% of total housing stock by 2027, 10% by 2040.

This investment will prevent homelessness across all age groups; support women and children escaping domestic violence. This ask requires:

- a four-year, \$3 billion **Social and Affordable Housing Innovation Fund**, which leverages Federal Government funding and not-for-profit and private sector investment, to deliver a sustainable pipeline of social and affordable housing projects across NSW. This requires identification of at least 15 government-owned sites for the delivery of a minimum of 1,000 social and affordable homes, building on the capacity of a proven CHP/NFP sector to ensure these are owned and managed in perpetuity.

- \$500 million invested in an expanded repairs and maintenance program for existing social housing stock.

2. Invest \$50 million over 3 years to create 4 new *Youth Foyers* in NSW (Central Coast, Penrith, Dubbo & Orange) providing integrated housing, education and employment support to vulnerable young people otherwise at risk of homelessness.

3. 10% increased funding to Specialist Homelessness Services (SHS) - \$50 million over 2 years to enable it to respond to the steadily increasing demand on its services

4. Invest \$50 million into a 2-year extension of the successful *Together Home* program (with a view to this being embedded in the recommissioning process)

5. Support lower income households to cope with rising energy costs and adapt to climate change. Commit \$60 million over 2 years for energy efficiency upgrades and electrification of low performing social housing properties, to supplement and attract Federal funding through the *Household Energy Upgrades Fund*. Includes upgrades to inefficient fixtures (water, heating and cooling) and improving the thermal performance of existing social housing stock.

6. Invest in services to support vulnerable renters to successfully navigate the private rental system:

- \$1.8 million + \$290,000 (set up costs) to establish and run an early intervention and crisis response specialist older person's housing information and support service (similar to the Victorian *Home at Last* model)

- provide an additional \$4.62 million p.a increase to the **Tenancy Advice & Advocacy Program** (general and specialist Aboriginal) to match the growth of the renting population and the challenges of the housing market.

- adequately resource the new NSW Rental Commissioner to drive rental reform

- create a standing hardship fund and policy framework to support tenants and landlords in (the inevitable) future crisis and disasters (fire, flood, pandemic)

Shelter NSW 2023-24 Budget Priorities Contributing to State Outcomes & Election Commitments

<i>Shelter NSW Budget Priorities</i>	>	<i>NSW Labor Election Commitments²</i>
<p>Restore the social housing safety net to 5% of total housing stock by 2027, 10% by 2040. Invest in a four-year, \$3 billion Social and Affordable Housing Innovation Fund (Build or Buy) & \$500m maintenance plan</p> <p>Invest \$50m over 3 years to create 4 x new 40 room <i>Youth Foyers</i> in NSW</p>	>	<p>Address Housing Supply (empowering the Planning Minister) - 30% of housing on surplus government land to be social, affordable or universal - New housing targets along Metro lines* - Boost regional housing supply* - \$30 m Build-to-Rent Pilot in South Coast* - No new development on dangerous floodplains# * surely both must include social/affordable to reduce the waiting list ? # surely requires NSW Government to potentially reassess the risk of its own social housing stock & plans for the future</p>
<p>10% increased funding to Specialist Homelessness Services (SHS) - \$50m over 2 years</p>	>	<p>Longer term financial security for SHS and tenancy advocates</p>
<p>Invest \$50m into a 2-year extension of the successful <i>Together Home</i> program</p>	>	<p>Create homes NSW to offer better service to tenants and reduce bureaucracy* *better management of maintenance</p>
<p>Invest in the support of renters - \$2.09m to set up & fund a specialist older person's housing information - Adequately resource the new NSW Rental Commissioner - \$4.62 m annual increase to tenancy advisory & advocacy services - Create a standing hardship fund</p>	>	<p>A Better Deal for Renters <i>Appoint a Rental Commissioner</i></p>
<p>Commit \$60 million over 2 years for energy efficiency upgrades & electrification of low performing social housing properties</p>	>	<hr/> <p>Other NSW Labor commitments requiring a resolution of the housing crisis: Transport</p> <ul style="list-style-type: none"> - Health & Education – workforce participation and retention - Address the Climate Crisis - Women and Domestic Violence - Cost of Living programs

² Sourced from the NSW Labor document Chris Minns & *Labor's Fresh Ideas for Housing in NSW* and generally from the ABC news article: [NSW election-2023-promises-liberal-labor](#) (accessed 8/8/23)

The Cost of Living in NSW – now and into the future

In 2023-24, NSW faces an uncertain economic future with rising housing costs contributing to cost-of-living concerns for many, but especially for lower income households; driven by a private housing market that consistently and persistently fails lower income people (independent of housing supply)³. With concern we generally observe:

Deepening and damaging housing unaffordability impacting worker mobility across the state. Housing costs are distorting and restricting general spending and workforce mobility alike. In Greater Sydney, there is a spatial mismatch between the homes and workplaces of essential workers like nurses, teachers and police – driven to the outreaches of Sydney and beyond, facing long commutes⁴. Regional centres, once the ‘cheaper alternative’ to Sydney have seen widely reported⁵ soaring house prices.

Access to home ownership (direct or inherited) entrenching disadvantage and generational inequity. In 2009-10, 41.8% of homes built or sold were affordable to low-moderate income households. By 2017, this had deteriorated to just 17.4%⁶. The NSW Treasury’s own assessment⁷ of the relative differences in the wealth of households approaching retirement (aged 50-64) who do not own their own home as typically having just \$78,000 net household wealth provides a stark contrast to the estimated \$1.4 million for homeowners of the same age.

Significant unmet need for housing for lower income people⁸. Lower income renters⁹ (43% of all renters, over 335,000 households in NSW) continue to struggle with ‘rental stress’ and actual or threatened eviction. This has largely unchanged over the past 10 years and in fact, may have worsened particularly in recent years in regional centres, where rents have surged.

³ Pawson, H (2023) *Housing policy challenges for Australia: how does the Albanese Government’s investment and reform package measure up?* Presentation to ACTU Vice Presidents Group, 4 July 2023. Available from UNSW [CityFutures website](#) slide 8/20 Growing deficit of private rentals affordable to low income renters (1996-2016)

⁴ Gurran et al, The Conversation (2018) [Key workers like nurses and teachers are being squeezed out of Sydney](#)

⁵ Burke Kate (2022), *Sydney’s sea and tree changers push regional house prices to record highs*, [link to SMH accessed Jan 28, 2022](#).

⁶ Productivity Commission (2022) *Report on Government Services - Housing & Homelessness sector overview table GA-4*

⁷ [2021-22 NSW Intergenerational Report - Overview](#)

⁸ UNSW City Futures, van den Nouweld, R. Troy, L. & Soundararaj, S (November 2022) *Quantifying Australia’s Unmet housing need*, prepared for CHIA NSW accessed from [CHIA website](#)

⁹ Productivity Commission (2022) definition table GA.3: *households whose members are at or below the 40th percentile of equivalised disposable household income (excluding CRA)*

The stock of social housing is not keeping up with population growth or demand in NSW. The state has seen a gradual but persistent decline in social housing stock – falling to just 4.7% of total housing in NSW, down from 5% in 2014.¹⁰



Source: Housing assistance in Australia (<https://www.aihw.gov.au/haa>)
Published 29 June 2022

Close to 57,000 households are waiting as long as 10 years for social housing. In June 2022 there were 57,550 households on the list – an increase of 7,622 from June 2021 and the biggest pool of waitlist applicants since 2016. The Priority List for those most in need is reported to have doubled over the last decade; and increased by 1,000 in just the last year to 7,573 approved applications¹¹. Social housing is now a ‘rationed’ product. In the six years to 2020-21 the proportion of total new tenancy allocations to high priority applicants increased from 41% to 60%; substantially lengthening wait times for eligible, but non-priority, waiting list applicants¹²

The demand for social housing is unlikely to be met without significant government intervention. The previous Government’s plans projected net increases of as few as 400 - 800 additional dwellings over the coming years¹³ (and social housing stock falling to 4% of total housing in NSW compared to the OECD of 7%¹⁴ and down from 5% in 2014¹⁵).

There is significant strain on the NSW Government and Social Sector supporting vulnerable people in terms of housing and homelessness. Close to 50% of the over 47,000 people seeking accommodation assistance from the Specialist Homelessness Sector (SHS) in

¹⁰ Australian Government (June 2022) – Australian Institute of Health & Welfare – sourced from [Housing-assistance-in-Australia-summary-NSW.pdf.aspx](https://www.aihw.gov.au/haa)

¹¹ Rose, Tamsin (2023), *NSW Minister concedes social housing waiting list is “desperate” as waitlist for most in need doubles in a decade* Accessed from the [Guardian, 11 August 2023 website](https://www.theguardian.com/australia-news/2023/aug/11/nsw-minister-concedes-social-housing-waiting-list-is-desperate-as-waitlist-for-most-in-need-doubles-in-a-decade)

¹² Pawson, H. and Lilley, D. (2022) *Managing Access to Social Housing in Australia: Unpacking policy frameworks and service provision outcomes*; CFRC Working Paper; Sydney: UNSW City Futures Research Centre (executive summary)

¹³ Pawson et al (2021) op.cit. Table 6.3 Social Housing Pipeline 2012-22 to 2023-24

¹⁴ Pawson, H (2021), *Social Housing production continues to languish, while demand has soared*, [UNSW City Futures blog](https://www.unswcityfutures.com.au/blog)

¹⁵ Australian Government (2021), Australian Institute of Health and Welfare, Housing Assistance in Australia [AIHW link - NSW Summary](https://www.aihw.gov.au/haa)

2020-21 were turned away)¹⁶ This has steadily worsened since 2015-16 where 15,471 or 34.2% had the same experience (with Aboriginal & Torres Strait Islander people consistently overrepresented at nearly a third of all SHS clients)¹⁷. The NSW Auditor-General also found¹⁸ that the reach of SHS services into regional areas was limited, with just 34 of 128 local government areas receiving direct support (and noting a 75% increase in regional clients between 2013-2017)

Deepening realisation of the cost of living with rising temperatures and energy-inefficient homes and appliances - disproportionately felt by lower income households (households with the least ability to adapt and respond)¹⁹.

Are new social dwellings being built (and occasionally bought) in NSW?

Yes, but many are replacement dwellings and in aggregate, not keeping up with what is required.

NSW – social housing & population
The 15 year growth mis-match
2006 – 2021
140,109 to 154,492 dwellings, + 14,383 dwellings (increase of 10%)
V
6.82 to 8.1 million state population + 1.28 million people (increase of 19%,) ²⁰

¹⁶ Productivity Commission (2021) *Annual Report on Housing and Homelessness* – refer Appendix A Table 3 for more detail

¹⁷ Productivity Commission (2022) op.cit. Table 19A.4

¹⁸ Office of the Auditor-General (2021) *Responses to Homelessness* at PPs 9 and 15

¹⁹ Deloitte (2021), *The economic impacts of the National Low-Income Energy Productivity Program*, report prepared for the Australian Council of Social Service [Link to report accessed 27 Jan 2022](#)

²⁰ Productivity Commission, *Report on Government Services* (2021)

So how much more social housing is needed? Research in 2018 forecast that NSW would need an additional 141,000 social housing dwellings by 2036 ²¹. Recent research, using 2021 census data, ²² reveals 640,000 Australian low-income households are currently in housing stress, with the figure projected to rise to 940,000 by 2041. Of the 940,00 households, NSW represents 320,000 (225,300 Greater Sydney, 95,300 Regional NSW). Households with unmet need are either experiencing homelessness, in overcrowded homes or spending over 30% of their income on rent.

The NSW Government's own intergenerational report has highlighted that if the current (declining) trends in home ownership continue, an additional 68,000 social housing properties will be required by 2061 just for older renters (costing an additional \$12.1 Billion in 2019 dollars between 2020-21 and 2060-61).²³

NSW continues to grow. The Greater Cities Commission, ²⁴ envisioned *a large-scale program of building social and affordable housing, including key worker housing, on government land (ensuring) that people on low to moderate incomes can also meet other basic living costs such as food, clothing, transport, medical care and education.*

At Shelter NSW we believe that growth should be fair and inclusive – improving the life of all people; built on the foundation of a secure home for all. NSW Treasury forecasts that NSW needs an average of 42,000 additional homes every year over the next 40 years ²⁵. Significant and co-ordinated investment, in conjunction with the Commonwealth into an expanded state asset like housing, will allow NSW to restore the social housing safety net of 5% of all housing stock and work towards 10% of all stock by 2040 (2050 at the latest). This seems a reasonable and necessary ask and wise investment by government in essential infrastructure.

The NSW Labor Government's commitment to provide (but retain) surplus government land for the purposes of a growing the stock of social and affordable housing in the state implies a complementary commitment to investing in the development of homes on those sites. The scale of this has not yet been communicated but we expect it must be large if the land commitment is to deliver on it implied promise.

²¹ Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (2018) *Social housing as infrastructure: an investment pathway*, AHURI Final Report 306, Australian Housing and Urban Research Institute Limited, Melbourne, [AHURI website](#) at p4 executive summary

²² UNSW City Futures, van den Nouweld, R. Troy, L. & Soundararaj, S (November 2022) *Quantifying Australia's Unmet housing need*, prepared for CHIA NSW accessed from [CHIA website](#)

²³ NSW Department of Treasury (2021), *Toward 2061 – planning for the future*: <https://www.treasury.nsw.gov.au/nsw-economy/2021-22-nsw-intergenerational-report>

²⁴ [Housing | Greater Cities Commission](#) accessed 11 August 2023

²⁵ NSW Treasury (2021), op. cit at p57

Key Ask 1 – Major social housing stock expansion – build or buy.

Develop a genuine alternative to the private rental market for low-income people by restoring the social housing safety net to 5% by 2027, 10% by 2040.

This investment will:

- **prevent homelessness across all age groups including older people in precarious housing, reducing the need for costly government direct intervention**
- **support women and children escaping domestic violence**
- **reduce costs in adjacent portfolios (health, disability, aged care, education, justice and corrective services)**
- **activate NSW Labor's commitment to dedicate 30% of residential dwellings on surplus land to social, affordable and universal housing.**

This investment requires:

- **a four-year, \$3 billion Social and Affordable Housing Innovation Fund, which leverages Federal Government funding and not-for-profit and private sector investment, to deliver a sustainable pipeline of social and affordable housing projects across NSW. This requires identification of at least 15 government-owned sites for the delivery of a minimum of 1,000 social and affordable homes; building on the capacity of a proven CHP/NFP sector to ensure these are owned and managed in perpetuity.**
- **\$500 million invested in an expanded repairs and maintenance program for existing social housing stock.**

The case for this approach:

- **A social housing construction, repair and maintenance program can be directed by Government to specific areas of need across the state when and where it is required. Governments can act countercyclically to support employment (avoiding inflating material and construction labour market constraints) and optimise state and commonwealth sponsored affirmative action employment programs directed to young people, long-term unemployed and**

vulnerable groups such as First Nations people.

- **Efficiency and Effectiveness: incorporation of an energy-efficiency audit and subsequent upgrades within the social housing general maintenance and upgrade program** would be an efficient way for this work to be done and offer other program efficiencies (refer Budget Ask 5).
- **Speed: an acquisition program (of already or nearly- built properties) represents an efficient way to quickly add to the social housing stock** and may provide support to an emerging pool of ‘distressed sellers’, especially in the unit market.²⁶ Sydney Community Housing provider, Bridge Housing recently demonstrated this approach with its purchase and quick upgrading on an existing building in Sydney’s inner city. After purchase and renovation, it quickly moved to offer stable affordable housing tenancies to Aboriginal women and their children ²⁷.
- **The development of social housing infrastructure builds the stock of broader infrastructure to support communities, employment and economic development – in the same way that schools and roads do.** It can also create encourage greater mobility of labour especially into regional towns and cities seeking to grow industries and job opportunities.
- **The NSW Government can reduce budgetary costs by owning housing assets for capital gains. Public housing is an asset, not a liability.** According to land and property economist, Dr Cameron Murray, the NSW Land and Housing Corporation, for example, gained \$22 billion in value from 2012-17 by owning public housing and funds new builds with these gains.²⁸
- **Social housing investment is the most effective way to prevent and reduce homelessness.** According to a 2019 study ²⁹ a one percentage point increase in unemployment within a local area increased the probability of people already at risk of homelessness becoming homeless, by 0.9% to 8.9%. In a related sense, *financially vulnerable people in social housing are less than half as likely to become*

²⁶ The Victorian State Government uses ‘rapid acquisition’ as a way to quickly add to its social housing portfolio within the Big Build Initiative. See here for [an example](#)

²⁷ Bridge Housing Media Release (10 march 2023) access from [Inner City Affordable Housing - Bridge Housing](#) 11 August 2023

²⁸ Murray, Cameron (2022) [Public housing is way cheaper than rental subsidies \(fresheconomicthinking.com\)](#), accessed 11 August 2023. Dr Murray and professor Peter Phibbs explored this type of argument for Shelter NSW in their analysis of the Waterloo South Public Housing Estate Renewal proposal, *Reimagining the Economics of Public Housing at Waterloo South* [Available on the Shelter NSW website](#)

²⁹ Johnson, G, Scutella, R, Tseng, Y.P and Wood, G (2019), *How do housing and labour markets affect individual homelessness?*

homeless as a similar group renting privately. Over one third of new tenants in social housing were previously homeless, ACOSS notes ³⁰.

- **Avoiding the expensive costs of responding to acute homelessness** – Equity Economics ³¹ cites one study ³² which estimates the whole-of-government costs of homelessness to be between \$29,450 per year per homeless person (2013 dollars - \$35,000 in 2020 dollars). Another study estimates the savings from reducing homelessness at \$25,615 per year in 2017 dollars ³³. These savings are in the health and justice systems.
- **Investing in social and affordable housing avoids or reduces Whole of Government costs especially in responding to domestic violence.** According to Equity Economics ³⁴ investing in 5,000 additional socially dwellings per year would allow Government to avoid \$38.5 million a year in costs from women returning to a violent partner; and \$68 million a year in costs due to women experiencing homelessness after leaving their homes due to family and domestic violence
- **Social housing is the only meaningful option for low-income people in towns where the private rental market is offering little to no supply of affordable dwellings** (where rental assistance products can offer little practical value). A recent study by the Regional Australia Institute for Shelter NSW identified local government areas (LGAs) in Regional NSW with significant 'housing issues' ³⁵ largely due to combinations of high renting populations (in rental stress) and insufficient social housing stock. The LGAs of Central Coast, Byron, Cessnock, Newcastle and Coffs Harbour were deemed to be the most impacted LGAs.

³⁰ ACOSS (2019), How to reduce homelessness and boost incomes and jobs: social housing as infrastructure [ACOSS article on Social-Housing-Investment](#)

³¹ Equity Economics, (2021) A Wave of Disadvantage across NSW: impact of the Covid-19 recession

³² Zaretsky, K., et al. (2013) The cost of homelessness and the net benefit of homelessness programs: a national study, AHURI Final Report No.205. Melbourne: Australian Housing and Urban Research Institute. (2013)

³³ Witte, E (2017) The case for investing in last resort housing, MSSSI Issues Paper No.10 Melbourne Sustainable Society Institute, The University of Melbourne

³⁴ Equity Economics 2021 [Rebuilding for Women's Economic Security — Equity Economics at p7](#)

³⁵ Regional Australia Institute (2021), *New South Wales Regional Housing Need Report*, report prepared for [Shelter NSW](#)

Key Ask 2 – invest \$50 million over 3 years to create 4 new (40 room) Youth Foyers

Invest \$50 million to create 4 new *Youth Foyers* in NSW (Central Coast, Penrith, Dubbo & Orange) providing integrated housing, education and employment support to vulnerable young people otherwise at risk of homelessness

This investment will:

- support young people to overcome homelessness; supporting them to improved education, health and employment outcomes and reduce contacts with justice system
- reduce costs to the NSW Government of supporting young people in an acute response associated with homelessness, health or justice
- support the NSW Government to deliver on any goals it has to reduce disadvantage, and improve health and education outcomes for young people, especially from disadvantaged cohorts

This investment requires:

- a three year \$50 million investment (\$45 m capital and \$5million operations) over three years to build four, 40 room Youth Foyers in specially chosen locations around NSW. On average, each Youth Foyer costs \$15m to develop and \$1.6m-\$2.0m to operate, as well as legal, real estate and financing costs.

See the table below as well as detailed costings at Attachment A supplied on request by Foyer Invest in support Shelter NSW budget submission. But noting that significant investment in land, planning and community engagement has already been made by organisations leading the listed NSW Youth Foyer projects.

Some sites already have land secured (or board approval for purchase) and a portion of the capital required raised.

Table 1.

FoyerInvest	2023/24	2024/25	2025/26	TOTAL		2026/27
	\$m	\$m	\$m	\$m		\$m
Capital	3	18	24	45		
Operations	0	0.4	4.4	4.8	Ongoing	6.4
Total	3	18.4	28.4	49.8		6.4

The case for this approach

In NSW a substantial number of young people present to Specialist Homelessness Services seeking help; with an estimated 40-50% of them exiting those same services into further homelessness. As they transition into adulthood, these young people are faced with a separation between housing services and education and employment.

Improving the outcomes experienced by vulnerable young people is a critical challenge for communities and governments.

While there are a number of approaches to responding to this phenomenon it is our position at Shelter NSW, having commissioned research in this area, that Youth Foyers offer the soundest and most effective way to respond to the unique challenge faced by vulnerable young people ³⁶.

A report prepared by Accenture for the ³⁷ Foyer Foundation describe Youth Foyers as a place-based, integrated 2 year program providing education, employment and accommodation for young people, typically aged 16 – 24 years, who are at risk of or experiencing homelessness. From this stable base, Foyers can prevent disadvantage in other areas of these young people's lives.

In our 2021 review, we noted that there are just 15 accredited Foyers in Australia, including several under development in Tasmania and Queensland. In NSW there are just 60 Foyer units (rooms) provided in the Illawarra by Southern Youth and Family Services, and 53 units provided through Foyer Central in Sydney. That is less than 120 units for all of NSW and clearly out of kilter with the potential cohort of 30,000 or more vulnerable young people ³⁸ but especially the approximately 1,000 young people who leave out of home care each year.³⁹

Shelter NSW asserts that there is a compelling case (outlined in our report) for an investment offset by savings in other government programs such as health, education and justice⁴⁰. Accenture found, in its report for the Foyer Foundation ⁴¹ that the lifetime cost to government of supporting a person that has accessed SHS is estimated at \$386,000 (borne 50:50 between the States and Commonwealth). These costs are attributed to *welfare costs net taxes (30 per cent), housing 30 per cent), health care costs (25 per cent) and justice costs (15 per cent)*

Shelter NSW commends the work of the national body Foyer Foundation and in particular fully supports its business case for the expansion of Youth Foyers across NSW.

³⁶ Insight Consulting (2021), *Scaling Foyers for NSW*. Report prepared for Shelter NSW [link to site](#)

³⁷ Accenture report, Under One Roof (December 2022) prepared for the Foyer Foundation, accessed from <https://foyer.org.au/under-one-roof/> 11 August 2023

³⁸ [Foyer Central](#) supports a group of young people transitioning out of out-of-home care. This particular model and building is located in Sydney's inner-city suburb of Chippendale

³⁹ Noting that NSW and Queensland have not joined other states in extending care to young people past 18. Refer this [ABC news media article](#) for more information. Naturally NSW financially benefits from this current restriction

⁴⁰ Insight Consulting (2021), op. cit. at p4-5

⁴¹ Accenture (2022) op. cit.

Key Ask 3 – 10% increased funding to Specialist Homelessness Services (SHS) - \$50 million over 2 years

10% increased funding to Specialist Homelessness Services (SHS) within the terms of the contacted 2 year extension.

This investment will:

- provide a one-off boost to prevent a further deterioration on the SHS's sector already strained ability to growing unmet need (close to 50% turned away)
- provide support to the SHS sector to re-evaluate its approach – especially within the context of a Commonwealth and State housing and homelessness strategy review.

The case for this approach

While preventing homelessness is clearly the most efficient and effective public policy and funding approach, the reality remains that an increasing number of people are seeking emergency accommodation assistance in NSW. Acute homelessness, especially associated with domestic violence cannot be ignored.

Close to 50% of the people seeking homelessness services are turned away every day. Close to 50% of the over 47,000 people seeking accommodation assistance from the Specialist Homelessness Sector (SHS) in NSW during 2020-21 were turned away⁴². This has steadily worsened since 2015-16 where 15,471 or 34.2% had the same experience. In another review, the NSW Auditor-General also found⁴³ that the reach of SHS into regional areas was limited, with just 34 of 128 local government areas receiving direct support.

Table 2 - Specialist Homelessness Services (SHS) – accommodation needs met in NSW

Accommodation Services in NSW (notes a, b and c)				
Financial Year	Clients with identified need for accommodation who were not provided with that service (No.)	Total Clients (No.)	% of total clients need <u>not</u> met	Total Support days ('000)
2020-2021	22 709	47 121	48.2	7454
2019-2020	21 790	46 437	46.9	7122
2018-2019	21 552	47 652	45.2	7163
2017-2018	19 306	46 072	41.9	6806
2016-2017	17 354	46 643	37.2	6571
2015-2016	15 471	45 240	34.2	

⁴² Productivity Commission (2021) *Annual Report on Housing and Homelessness*

⁴³ NSW Office of the Auditor-General (4 June 2021, p. 15). Performance Audit: Responses to homelessness. Retrieved from <https://www.audit.nsw.gov.au/our-work/reports/responses-to-homelessness>

Table 3 Notes (extract from Table 19A.7 and 19A.16 Productivity Commission 2021/22 Homelessness Services):

- a. Need for accommodation includes need for 'Short-term or emergency accommodation', 'Medium-term / transitional housing' or 'Long-term housing'.
- b. Unmet need for accommodation and services other than accommodation is dealt with differently by different jurisdictions and data may not be comparable.
- c. For some central intake models, the role of intake agencies is to identify and link clients to an agency well suited to the individual client's needs, rather than to provide clients with particular services. This may have an inflationary effect on the proportion of clients with unmet need for services for jurisdictions which operate such central intake models.
- d. Recurrent cost to Government per day of support for clients, 2019-20 dollars (accommodation & other services)

Aboriginal & Torres Strait Islander people are consistently overrepresented in the demand for SHS (at nearly a third of all SHS clients) and consistently exceed the capacity of culturally competent and experienced organisations. According to Homelessness NSW, just 4 of the 353 funded SHS organisations in NSW are Aboriginal-led and controlled. This diminishes the sector's overall ability to provide culturally-appropriate responses. A permanent increase in recurrent baseline funding would allow a more equitable spread of services across NSW and will strengthen Aboriginal Community-Controlled Organisations to provide culturally-appropriate local support to communities that continue to experience disproportionate levels of disadvantage.

In a similar sense, **advocates for action to end gendered violence have also highlighted the need for increased housing funding to support women and children escaping domestic violence**. Like many in the crisis response frontline, they have identified the need for *safe and appropriate housing for everybody experiencing and recovering from sexual, domestic, and family violence* as a necessary part of the state's response. This extends to longer-term secure and safe social housing⁴⁴

Intervention does make a difference. According to Equity Economics research⁴⁵ the NSW Social Sector provides essential care and support to over 1 million people each year – *including those impacted by poverty, homelessness, domestic violence, mental health challenges, disability or other complex issues*. Its workforce is bolstered by 1.7 million hours of volunteer time each week. In terms of a sector, there is clear evidence of it making a difference for the clients it is able to support. In 2020/21 for example, 14.7% of clients were living in crisis accommodation before approaching SHS; reduced to 6.8% after support. The 5.1% of clients sleeping rough reduced to 2.6% after support.⁴⁶

⁴⁴ NSW Women's Alliance 2023 State Election Platform: [Action-to-End-Gendered-Violence-Media-Release - DVNSW](#)

⁴⁵ Equity Economics (2021), The Social Sector in NSW, report prepared for NCOSS [Link](#)

⁴⁶ Productivity Commission (2021) op. cit. Table 19A.31

Key Ask 4 –Invest \$50 million into a 2-year extension of the successful *Together Home* program

As recommended by Homelessness NSW and CHIA, extend this successful program for a further 2 years as an effective way to support people who are experiencing homelessness. The NSW Government should consider embedding the Together Home program as part of the homelessness service system through the forthcoming recommissioning process, subject to the final program evaluation.

This investment will:

- Enable more people to be transitioned away from street homelessness and into long-term stable housing; supported by services (disability; mental and physical health; drug and alcohol support services) including for some for very high needs/ complex cases). Together Home is a two-year program already provided to over 1,000 people since July 2020 ⁴⁷.
- With street homelessness increasing (latest street count data showed a 32% increase in the number of people sleeping rough in NSW)⁴⁸ this investment will enable the SHS sector to apply an already tested program and approach based on the international best practice of Housing First.
- According to the Community Housing sector ⁴⁹, funding provided in the 2022-23 NSW Budget will allow Together Home leasing and support packages to continue until 2026 for some clients who may need to stay in the program for longer. By the end of 2023, however, it is estimated that the program will have ended for more than 850 people. The reality of the current private rental market poses a risk for the successful transition of the participants, potentially undermining the efforts and investments of participants and Government alike.

This investment requires:

\$50 million to support approximately 160 participants per year based on a per participant cost of \$150,000 (taking accounting of high and increasing rental costs incorporate in this program). ⁵⁰

⁴⁷ Community Housing Association (CHIA), (March 2023) *Addressing Rough Sleeping and Changing Lives* accessed from the [CHIA website](#)

⁴⁸ NSW Government, Department of Communities & Justice (June 2023) *The NSW 2023 Street Count results* from the [Government website](#) accessed 11 August 2023

⁴⁹ CHIA (March 2023) op cit

⁵⁰ Approximate costing provided by Homelessness NSW

The case for this approach

The NSW Government⁵¹ describes the Together Home program as supporting people, street-sleeping into stable accommodation, linked to wraparound services.

In June 2021, the NSW Audit Office found⁵² that the NSW Government *effectively implemented a crisis response to assist over 4,350 people sleeping rough into temporary accommodation during the pandemic*. This was the beginnings of the Together Home program.

Shelter NSW has commended the NSW Government for its quick and emphatic support of this program; assisting vulnerable people to access housing during the pandemic. This was and remains an important program.

We note however, the remarkable by-product of the Together Home program – a breakthrough in how we think about homelessness and how to prevent it. The huge response by Government and the Community Sector has demonstrated the almost self-evident maxim – that the best way to help someone to not be homeless is to provide them with housing; first temporarily and then longer-term (and most certainly with the ‘wrap around services’ if they are required). Since the program was initiated, around 90% of participants have sustained their tenancies, despite many having complex and multiple need⁵³

Shelter NSW supports the broader sector calls for funding to extend this program by two years, with a view to incorporating it as an ongoing program via the future recommissioning process.

⁵¹ NSW Government, Department of Communities & Justice – accessed from website [government website](#) 11 August 2023

⁵² NSW Audit Office (June 2021) [accessed from the Audit Office website](#)

⁵³ CHIA (March 2023) op.cit.

Key Ask 5 – support lower income households to cope with rising energy costs and adapt to climate change

Commit \$60 million over 2 years for energy efficiency upgrades and electrification of low performing social housing properties, to supplement and attract Federal funding through the *Household Energy Upgrades Fund* (\$300 million available to states to make energy performance upgrades to social housing).

This investment will:

- enable upgrades to inefficient fixtures (water, heating and cooling) and improve the thermal performance of existing social housing stock
- (according to the Commonwealth) cut the energy needed by social housing properties by one-third and give tenants savings on their energy bills.⁵⁴
- Where energy bills are reduced, reduce the reliance of government sponsored energy bill rebate schemes⁵⁵ or at least maximise their value to the low-income social housing tenants
- Support and enable any broader ‘electrification’ agenda of the NSW Government
- Support greater amenity, health and well-being for social housing tenants
- build capacity within the retrofit industry
- showcase low-cost, high-impact energy efficiency approaches such as insulation; window and floor coverings and external landscaping

This investment requires:

- The NSW Government to make an investment in the energy efficiency of its social housing stock, in order to attract additional Commonwealth funding under the terms of the *Household Energy Upgrades Fund* (announced in 2023 Federal Budget)⁵⁶. (Shelter NSW is a member of the [Healthy Homes for Renters](#) coalition and has recently written to NSW Government Ministers calling on NSW to match Commonwealth funding for such program).

⁵⁴ Commonwealth Government, Budget via [Cost-of-Living Relief webpage](#) accessed 11 August 2023

⁵⁵ NSW Government (2023) National Energy Bill Relief program (NSW) [website](#)

⁵⁶ Commonwealth Government, Budget via [Cost-of-Living Relief webpage](#) accessed 11 August 2023

The case for this approach

Increases to the default market offer from 1 July 2023 will see energy bills in NSW increase by around 20%⁵⁷. In combination with high winter energy bills, NSW households will be experiencing significant bill shock in coming months, further contributing to the cost-of-living crisis. It is more important than ever that the NSW Government provide opportunities for households and especially low income households to reduce energy bills through energy upgrades.

For some time however, Shelter NSW, as part of the *Healthy Home for Renters Campaign*⁵⁸ has called on governments to recognise the particularly challenging circumstances of renters, and especially low-income renters when it comes to being impacted by rising energy prices.

Our key concerns are:

- **People are getting sick because of their rental homes.** This is the grim summation of the *Healthy Home for Renters Campaign*⁵⁹. According to this campaign Australian homes, on average, have low energy performance with rental homes especially affected⁶⁰. This means that lower-income people and especially renters are more exposed to extremes in temperatures. People are forced to choose between large and rising energy costs and other life essentials. Households with children, older people and members with pre-existing health conditions are put at risk.
- **Renters in NSW have few choices to improve the energy-efficiency of their homes and landlords (including Government landlords) are reluctant to invest in energy-efficiency retrofits.** According to a recent article 30% of Australian households have solar power but only 5% of rental properties⁶¹. Shelter NSW joins other advocates in calling for NSW to implement mandatory minimum energy efficiency requirements for rental properties – in the social, community and private rental markets.
- **A program that dramatically improves the liveability and overall energy efficiency of social housing may extend the practical lives and amenity of what is otherwise aging and unfit-for-purpose stock.** Any program should extend beyond solar access programs and address sources of inefficiency such as inefficient fixtures especially water and space heat/cooling. As noted by NCOSS in its

⁵⁷ IPART (2023) *1 July 2023 Electricity Price Increases*- [IPART Government website](#) accessed 11 August 2023

⁵⁸ Healthy Home for Renters Campaign: [website accessed 24 November 2022](#)

⁵⁹ Healthy Home for Renters Campaign: [website accessed 24 November 2022](#)

⁶⁰ Environment Victoria (2017), *Bringing rental homes up to scratch*

⁶¹ The Guardian, 8 Nov 2022, <https://www.theguardian.com/commentisfree/2022/nov/08/australias-rental-housing-is-a-national-disgrace-and-improving-it-will-combat-the-energy-crisis>

Prebudget Submission ⁶², *upgrades made to 1,230 existing homes by one NSW community housing provider – such as insulation, drought proofing and LED replacement, and installation of heat pumps for hot water systems, ceiling fans and solar – delivered an estimated energy saving of 2,270,000 kWh of energy per year and an average saving of \$400 per dwelling.* ⁶³ This overall proposal is well documented in the combined submission of the Tenants' Union of NSW and Public Interest Advocacy Group to a Parliamentary Committee assessing the overall NSW social housing maintenance program, contracts and approach. ⁶⁴

- **It is critically important that the NSW Government's co-investment in the Household Energy Upgrades Fund is confirmed and announced at the soonest moment.** A co-contribution to the is vital for securing Commonwealth funding for the benefit of NSW residents, and will generate multiplier effects for NSW Government investment in this area. Improving household energy efficiency to reduce energy consumption, and enabling households to obtain cheaper and cleaner renewable energy is a critical response to rising energy bills.

⁶² NCOSS Pre-Budget Submission 2022-23, [link](#)

⁶³ CEFC 2021, *Clean energy and affordable housing*, Clean Energy Finance Corporation, accessed 9 November 2021

⁶⁴ Tenants' Union of NSW and Public Interest Advocacy Group (2020) [submission-to-the-follow-up-review-of-the-management-of-nsw-public-housing-maintenance-contracts](#)

Key Ask 6 – invest in services to support vulnerable renters to successfully navigate the private rental system

Fund a specialist older person's housing information – *Home at Last*

Adequately resource the new NSW Rental Commissioner

Increase funding to tenancy advisory services

Create a standing hardship fund for landlords and renters

This investment will:

- Support the growing number of renters, especially those low income renters responding to the stress, uncertainty and precarity of the private rental market, exacerbated by record low vacancy rates⁶⁵ and high rental increases.
- Support renting as a viable, long-term option and prevent premature entry into the aged care system.
- Prevent homelessness especially in vulnerable cohorts such older renters and those without the means or capacity to assert their legal rights as tenants and/or subject to direct or indirect discrimination.

This investment requires:

Direct funding to establish or sustain services, in recognition of the size of the growing renting population; the overrepresentation of low-income people amongst renters and commensurate with the extensive and expensive financial assistance provided to homebuyers. It includes specific request for:

- \$1.8 million + \$290,000 (set up costs) establish and run an early intervention and crisis response specialist older person's housing information and support service (similar to the Victorian *Home at Last* model) and set out in a detailed business case⁶⁶
- Provide an additional \$4.62 million p.a increase to the Tenancy Advice & Advocacy Program (general and specialist Aboriginal) to match the growth of the renting population and the challenges of the housing market.

⁶⁵ SGS Economics Report *Rental Affordability Index* (2022) prepared for National Shelter available [Shelter NSW website](#)

⁶⁶ Ageing on the Edge (NSW Forum) (2023) – *Specialist Housing Information & Support Service for people 55+ in NSW* available from [website](#) accessed 11 August 2023

The case for this approach

In NSW many are renting and many will rent for life. The 2021 Census data shows a significant increase in NSW renting households, with 2,363,324 people who rent their homes, close to 1 in 3 households (32.6%); a cohort growing faster than general population growth. In the 15 years 2006-2021 the number of renters has increased by over 40%, while general population growth increased approximately 23%. Of all renters in NSW, 1,066,750 earn less than 80% of the median NSW income;

More renting households are renting long term (more than 10 years). Many are raising children, with families the most common renting household type in NSW. There are now more than 600,000 young people aged under 20 in rented homes. An increasing number of people over 60 find themselves retiring while still renting in the private rental market. The number of renters over 60 has increased by 82%, a significantly higher increase than the general population. There has also been a significant increase in the number of people renting while on a lower income. This is a leading indicator of the need for legal services.

Shelter NSW has long called for greater support of renters and renting making this the key theme of our 2023 State Election Campaign⁶⁷ and commends the NSW Government for its commitment to reform the private rental market. The replacement of *No Grounds Evictions* provisions with *Reasonable Grounds* will for example, be a profoundly important reform for the state. Notwithstanding these proposed reforms however, renting is likely to continue to be experienced as a less-secure form of housing.

At the very least renters should be afforded equivalent levels of (often expensive) support that are provided to first home buyers⁶⁸ It is for these reason Shelter NSW is calling for additional investment.

High and rising rents mean that more than one-third (35%) of renters⁶⁹ and around half of all low-income renters⁷⁰ are in rental stress.⁷¹ High rental stress leaves people without sufficient money for essentials, such as food, energy bills, or fuel. Many are forced to move away from their communities, schools and jobs or settle for poor quality housing that does not meet their needs. Increasing numbers of renters are being pushed into homelessness.

Other factors evident in the private rental market requiring Government intervention:

- **There is pervasive and long-term incidence of discrimination within the**

⁶⁷ Shelter NSW, 2023 State Election Campaign – I Rent and I Vote available [Shelter NSW website](#)

⁶⁸ NSW Government, First Homebuyers Assistance Scheme [website](#) [website](#) accessed 11 August 2023

⁶⁹ National Housing Finance and Investment Corporation (2023) *State of the Nation's Housing 2022–23*, Australian Government, 85, <https://www.nhfc.gov.au/research/state-nations-housing-report-2022-23>

⁷⁰ Australian Bureau of Statistics. (2019-20). *Housing Occupancy and Costs*, Table 13.1 Rental affordability, lower income renter households, national housing and homelessness agreement basis. ABS. <https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/2019-20>

⁷¹ Rental stress is defined as those people in the lowest 40% of income brackets who are paying more than 30% of that income in rent.

private rental sector. According to this 2021 AHURI research⁷², this happens right across the rental system, from application through to eviction and is felt across *age, gender, race and indigeneity*.

- **Older people are at increased risk of homelessness and need specialised services to support them find and sustain housing.** Shelter NSW is an active member of the *Ageing on the Edge NSW Forum*⁷³, a network focused on improving housing security for older people at risk of homelessness. The forum has called for⁷⁴ the funding of a specialist older person's housing information and support service that comprises a prevention, early intervention and crisis response, similar to the Home at Last model in Victoria⁷⁵. According to Ageing on the Edge, many people aged over 55, experiencing housing insecurity (sometime for the first time in their lives) are unaware or unable to access the services they need to avoid homelessness and remain in private housing system. While women in particular avoid rough sleeping on the streets due to its inherent dangers, many experience other forms of homelessness such as couch surfing, living in cars or staying in other insecure or unsuitable housing. There are currently no services within NSW dedicated to supporting the growing cohort of older renters experiencing actual or threatened homelessness
- **There are power differentials within the private rental market that leave many unable to compete.** Not often noted in the traditional Landlord V Tenant community debate is the extent of income disparity within the renting cohort itself. According to the Reserve Bank of Australia⁷⁶, while the average and median incomes of renter households are generally lower than owner-occupiers across age groups, the share of private renters who are in the top half of the income distribution has risen over time. This has been driven by two forces: the rising share of private renters in higher paid jobs, such as professional services and delayed home ownership due to a number of financial barriers.
- **Tenancy services are not being funded to keep up with the demands of a growing renting population and pressure of the housing crisis.** According to the NSW Government, the Tenants Advice and Advocacy program (TAAP)⁷⁷ provides tenancy advice and advocacy services to tenants throughout NSW. According to the Tenants' Union of NSW there are 15 generalist Tenants Advice and Advocacy Services (TAASs), 4 specialist Aboriginal services and a specialist resourcing body for the Aboriginal TAASs. Each is run by a local non-government organisation. They are funded by NSW Fair Trading under the Tenants Advice and Advocacy Program

⁷² Maalsen, S., Wolifson, P., Rogers, D., Nelson, J. and Buckle, C. (2021) Understanding discrimination effects in private rental housing, AHURI Final Report No. 363, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/finalreports/363>, doi: 10.18408/ahuri73245

⁷³ Ageing on the Edge NSW Forum – website accessed [Ageing on the Edge New South Wales Forum Terms of Reference | Housing For The Aged Action Group \(oldertenants.org.au\)](#)

⁷⁴ Ageing on the Edge NSW Forum – election platform: [New Coalition calls for Housing Solutions for Everyone in NSW State Election | Housing For The Aged Action Group \(oldertenants.org.au\)](#)

⁷⁵ Victorian Government-endorsed service: <https://www.oldertenants.org.au/>

⁷⁶ Reserve Bank of Australia Bulletin (March 2023 by) Agarwal, N., Gao, R and Garner, M. accessed from <https://www.rba.gov.au/publications/bulletin/2023/mar/renters-rent-inflation-and-renter-stress.html> on 3 May 2023

⁷⁷ NSW Government Tenants, Advice and Advocacy Program [NSW government website](#) accessed 11 August 2023

(TAAP), which uses money from the Rental Bond Board Interest Account and the Property Services Statutory Interest Account. The TAAS network responds to approximately 30,000 requests annually for tenancy advice and provides ongoing assistance to approximately 10,000 tenants annually⁷⁸

A key part of the Tenants' Advice and Advocacy Services approach to homelessness avoidance is to prevent evictions both by ensuring the law is applied in an appropriate and just way, and by negotiating alternatives to evictions. In the 2021 and 2022 calendar years Tenants' Advice and Advocacy Services have prevented eviction in 5,845 cases ⁷⁹.

The NSW Productivity Commission identified evictions as having a significant direct cost to the NSW economy. They cite NSW Treasury's estimate that the over 23,000 renting households forced to move each year results in total direct costs of \$116 million per annum, primarily due to the relocation costs incurred by renter⁸⁰, which lines up with our own research. This was a cost of \$5000 per forced move in 2019.

The Tenants Union forecasts that a funding boost to the Tenants Advice and Advocacy Services creates greater efficiency for government expenditure reducing costs on Fair Trading NSW complaints centre, the NSW Civil and Administrative Tribunal, Office of the Sheriff NSW, and across housing, homelessness and health services.

- **NSW is increasingly experiencing climate or economic driven housing crises that require a government response (and supporting the need for a standing hardship fund and policy protocol).** Shelter NSW was pleased to see cross-party support for a new authority to be created in response to the devastating flood and fire events across NSW. The NSW Reconstruction Authority⁸¹ will be dedicated to disaster preparedness, recovery and reconstruction from natural disasters. Our hope is that the authority's remit will take in the actions required to prepare and support communities (not just the physical construction/reconstruction activities). This might include the support of more social housing and crisis accommodation and the establishment of the hardship fund and protocol just discussed. The need for this type of planning has been explored in a piece of research into the Northern Rivers flood response – with evidence of the extent to which an already stretched and flawed housing market contributed to homelessness and displacement⁸².

⁷⁸ Tenants' Union of NSW website : <https://www.tenants.org.au/all/taas>

⁷⁹ Figure provided by the Tenants Union of NSW.

⁸⁰ NSW Productivity Commission (2019) Kickstarting the productivity conversation, October 2019, p120 Research undertaken in 2022 by the Tenants' Union using the same method of calculation with updated and comparable estimates on costs (\$5,220 per move), estimated direct costs of around \$122 million pa. Tenants' Union of NSW (2022) Eviction, Hardship and the Housing Crisis, February 2022

⁸¹ NSW Government Media Release (9 November 2022): [nsw-reconstruction-authority-to-be-established](#)

⁸² van den Nouwelant, R. & Cibi, A. (2022) "The impact of housing vulnerability on climate disaster recovery: The 2022 Northern Rivers Floods" (Sydney: City Futures Research Centre) commissioned by Mission Australia, the St

Attachment A



FoyerInvest NSW information in support of Shelter NSW Pre Budget Submission

02 August 2023

For young people experiencing or at risk of homelessness, Youth Foyers offer pathways out of cycles of disadvantage towards independent, thriving futures. A Youth Foyer provides a safe and stable home for approximately 40 young people aged 16-24, with integrated education, employment and life-skills supports for up to two years.

Within two years of living in a Youth Foyer, a young person has what they need to change their life trajectory. Over 80% of young people exit into safe and stable housing, 65% gain secure and decent employment, and they are 60% less likely to be involved in the justice system.⁸³

The Youth Foyer approach is effective because it goes beyond a crisis response, providing a medium-term housing solution with integrated services. Grounded in Advantaged Thinking, Youth Foyers focus on a young person's strengths and goals and provide the supports they need to transition to independence.

Analysis undertaken by Accenture identified that Youth Foyers deliver governments an economic return of **\$6 for every \$1 invested**.⁸⁴

FoyerInvest is a consortium of leading service organisations, philanthropists and investors supported by the Foyer Foundation. It has identified a strong pipeline of Youth Foyer projects ready for development in communities across NSW. At least four of these sites are ready for development within 2 years.

FoyerInvest is seeking NSW Government commitment for at least four new Youth Foyers in NSW:

Ready to break ground within 1 year Central Coast Penrith	Ready for development within 1-2 years Dubbo Orange
Other potential locations (2+ years)	
• Tweed Heads	• Bega

Vincent de Paul Society NSW, Social Futures, The Salvation Army Australia, the Australian Red Cross, and the Tenants' Union of NSW. Shelter NSW acted provided advice to the team.

⁸³ Accenture, *Under One Roof: The Social and Economic Impact of Youth Foyers*, 2022.

⁸⁴ *ibid.*, p 23.

<ul style="list-style-type: none"> • Hawkesbury Farm • Bathurst 	<ul style="list-style-type: none"> • Glen Innes • Northern Sydney • South Western Sydney
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On average, each Youth Foyer costs \$15m to develop and \$1.6m-\$2.0m to operate, as well as legal, real estate and financing costs.⁸⁵

Significant investment in land, planning and community engagement has already been made by organisations leading the listed NSW Youth Foyer projects. Some sites already have land secured (or board approval for purchase) and a portion of the capital required raised.

The total cost to NSW Government can be reduced by leveraging state investment with private capital and Federal co-contributions through impact investing and payment-by-outcomes options currently in development. FoyerInvest seeks to shape these options in collaboration with the NSW Government.

Costings provided to Shelter NSW by Foyer invest in support of Shelter NSW 2023-24 Budget submission

FoyerInvest	2023/24	2024/25	2025/26	TOTAL		2026/27
	\$m	\$m	\$m	\$m		\$m
Capital	3	18	24	45		
Operations	0	0.4	4.4	4.8	Ongoing	6.4
Total	3	18.4	28.4	49.8		6.4

Assumptions:

- Assumes an average cost for 40 unit Foyer of \$15m capital and \$1.6m-\$2.0m for operating
- Assumes ongoing operating costs for the 4 Foyer projects
- Capital expenditure for build cost & timing are indicative
- 1 project already has capital secured and the operating cost is reduced given smaller number of units and ability to stretch current services
- Indexing not applied

⁸⁵ ibid., p 32.

