

A new model for youth housing in Victoria



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The Victorian youth housing and homelessness sector are providing a framework for consideration in the design of a fit-for-purpose youth housing model.

Designed by the Victorian youth housing and homelessness sector (the 'sector'), this framework provides a foundation for ongoing discussion and represents our ask of the Victorian Government - which is the design and implementation of a dedicated and fit-for-purpose youth housing model.

The framework relates to young people aged 15-24 who are engaged with the homelessness service system. It is not predicated on a young person's lifelong interactions with social housing, rather it seeks a response that empowers our young people with the skills and resilience needed to transition to adulthood and achieve sustainable, functional outcomes – enabling them to progress towards greater housing independence and, when appropriate, exit the supported housing system.

We recognise that focused thinking, planning and engagement will be required to ensure the model works for the Victorian Government, the sector and most importantly, young people. We also understand the significance of this commitment - but we too are part of the solution and invite the Victorian Government to partner with us in creating an effective and efficient model, aligned with the Early Intervention Investment Framework and government outcomes across a range of portfolio areas responsible for improving outcomes for young people.

Stakeholders involved in the design
of this framework



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Regardless of the work and efforts to date, the current approach is not suitable for young people.

In Victoria, youth homelessness is at a critical point and the demand severely outweighs the availability of suitable housing. Recent research¹ highlights the challenges created by a lack of youth specific policy or framework, as well as other barriers to achieving effective outcomes for young people, such as:

- poor coordination of housing and support
- lack of housing options
- restrictions in duration and support.

Given this, Victoria is in dire need of a dedicated approach to youth housing. Early consideration by the sector indicates that there are three key areas to focus on:



This framework provides high-level detail against each focus area. However, it does not seek to determine the operational or programmatic aspects that will underpin a comprehensive model and implementation approach.

In developing this framework, the sector has considered contemporary research, best practice initiatives across Australia and internationally, such as the Canadian *Housing First for Youth Framework*, and findings from the Royal Commission into Victoria's Mental Health System.² We also recognise the extensive work being undertaken by the Victorian Government to reform the Victorian housing system, including:

- The recent release of its *Our promise, Your future: Victoria's youth strategy 2022 –2027*, which reaffirms and guides government's commitment to improving the lives of every young Victorian
- The establishment of Home Stretch and the From Homelessness to a Home program
- Transformative reforms such as the *Roadmap for Reform: children and families* and *Victoria's Big Housing Build*
- A commitment to recognising the unique needs of young people within the new ten-year social and affordable housing strategy.

¹Roggenbuck, C. and Davison, J. (2021) Positioning Paper: Towards a Youth Homelessness Strategy for Victoria, Australian Housing and Urban Research Institute Limited
²The Final Report (2021) recommends 500 supported medium term youth housing places.

The foundations of the proposed model are based on the unique issues facing young people that necessitate a targeted approach to housing.

1

PROVISION OF HOUSING

Initial modelling indicates that Victoria needs additional subsidized housing tenancies for young people.¹

These tenancies must meet the unique needs of, and be the best fit for, each young person. This includes for the duration the young person requires it.

The program should consider where it is best located and how it can flex to support longer-term tenancies as the needs and circumstances of young people evolve.

2

SERVICES AND SUPPORT

Stock allocation must be complemented with a support package allocated to the young person for the duration of their needs, rather than the tenancy.

Supports need to be strengths-based, goal oriented, outcome-focused and holistic in nature.

A dedicated youth housing model presents an opportunity for defining the range of service possibilities suitable across the spectrum of needs.

3

SUBSIDIES FOR VIABILITY

The provision of youth housing is currently unviable at existing subsidy levels. Increasing access to suitable housing for young will require addressing the rental gap across all tenancy types until a young person can support the rent unassisted. A model which provides sufficient subsidy to allow young people to meet market rents would allow the program to source housing from the existing private rental market, social housing stock as well as generate new construction.

It could also consider additional opportunities to increase access, including land allocation and the ability for CHOs to leverage funding for development.

¹Data analysis conducted by CHP indicates that there is a need for ~5000 dedicated youth tenancies in Victoria. This demand is drawn from Specialist Homelessness Services Collection data.

1

PROVISION OF HOUSING FOR YOUNG PEOPLE

Victoria needs to increase its provision of youth-dedicated tenancies to meet current and future demand.

Increasing the number of dedicated tenancies for young people will require a creative solution. Recognising that housing affordability and supply pressures exist across the entire system, this solution needs to be designed in conjunction with the work being undertaken by the Victorian Government and realistic given the current environment. The sector also understands there will be a need to prioritise actions, with an increase in provision occurring over a determined period.

Regardless of the approach, all youth-dedicated tenancies must:

- prioritise 'best fit' for the individual
- be affordable and available
- be geographically dispersed, in line with demand and opportunities for education and employment.

This proposal is designed to include all forms of housing from private rental to social housing and meet the needs of young people. The approach should particularly consider how to increase the current levels of social housing beyond the Big Housing Build.

The sector suggests the most suitable segmentation of the new tenancies is into dwelling types, rather than categories based on the complexity of need, or allocation to a specific program or model. This will enable the housing stock to flex as a young person's circumstances change, and the collective demand and system-level approaches and best practice models evolve.

Outlined in the table overleaf are options to address housing needs. These are segmented into tenancy type and considerations for purpose and provision across each.

1

TYOLOGY OF HOUSING NEEDED FOR YOUNG PEOPLE

Most of the stock required is 2+ bedroom, low-medium density properties.

TYPE	PURPOSE AND PROVISION	ALLOCATION
1 BEDROOM	<ul style="list-style-type: none"> • Self-contained with in an ensuite bathroom • Longer term, as required by the young person • Suitable for: <ul style="list-style-type: none"> • Lower complexity of need, with communal facilities • Medium to high complexity of need • 24/7 on-call support, off-site intensive support • Preference for low density 	8-10%
2 OR MORE BEDROOMS	<ul style="list-style-type: none"> • Self-contained with ensuites or additional bathrooms depending on the tenancy arrangements • Longer term, as required by the young person • Suitable for low, medium and high complexity of need • Preference for low-medium density, with families in a lower density settings • Scattered sites • 24/7 on-call support, off-site intensive support, flexible outreach where appropriate 	80%
CONGREGATE HOUSING	<ul style="list-style-type: none"> • Self-contained rooms or studios with communal spaces and facilities (6-8 tenants per dwelling) • Medium term • Suitable for: <ul style="list-style-type: none"> • Medium to high need, but tied to a program for a higher level of support • Medium to high density • 24/7 staffing, on-site support, flexible outreach where appropriate 	5%
CLUSTER HOUSING	<ul style="list-style-type: none"> • Self-contained rooms or studios with communal spaces and facilities • Suitable for: <ul style="list-style-type: none"> • Low needs e.g., for young people with affordability issues • Medium to high need, but tied to a program for a higher level of support • Medium to high density, but purpose built e.g., tailored to a particular client group • On-site support (business hours), off-site intensive support, flexible outreach where appropriate • Potential to use Housing First 	5%

2

SERVICES AND SUPPORT

A young person accessing integrated, safe, effective and appropriate services and supports that respond to their needs, preferences and circumstances is essential to them achieving sustainable housing outcomes.

The sector has determined the following factors as key to the design of services and supports within the model:

ATTACHED TO THE YOUNG PERSON, NOT THE TENANCY

Youth-dedicated stock and the funding allocation for services and supports should be considered discrete packages, with services and supports attached to the young person and not the tenancy to ensure a young person has consistent support regardless of a relocation or a change in tenancy arrangements.

For some housing types, e.g. core and cluster models, it may be more appropriate for some support to be attached to the tenancy rather than the person for onsite service provision, but as a principle support should follow a young person as needed as they change tenures.

INTEGRATED AND CONTINUOUS

The need for better service integration is heightened for young people due to the transitory nature of their interactions with the housing and homelessness system, to ensure they receive continuous support as their needs, housing situation and eligibility for different services evolve. All services and supports should be well coordinated across service providers and at a system level, with an emphasis on providing case-coordination for young people with complex needs.

While the coordination of housing services and supports is appropriate and necessary, this also needs to empower young people to exercise their rights and ensure their needs are prioritised over the tenancy.

INTERVENTIONAL AS WELL AS TRANSITIONAL

The services and support are not just transitional, they are interventions that result in improved wellbeing, engagement in the workforce, and reduced long-term engagement with high-cost services such as social housing, homelessness and/or justice systems. This includes proactive outreach to engage young people in the service system.

While we recognise that social or supported housing is not a long-term solution for most young people, there need to be mechanisms to identify those who require ongoing support and well-established referral and transitional pathways.

TRAUMA-INFORMED AND FUNCTIONAL

The delivery of all services and supports must be trauma informed. It is also important to consider the optimal staffing mix, which should consist of a key worker, therapeutic support and support for functional outcomes e.g., living skills, employment, education and training, recreation, health and wellbeing etc. However, we recognise existing workforce shortages and other challenges in providing the range of supports required by a young person. Given this, the sector suggests that it may be suitable to link a young person with a single, highly skilled case worker. Noting that this approach would be not be suitable for young people with complex needs, and services and support should be underpinned by suitable brokerage.



CRITICAL SUCCESS FACTORS

3 SUBSIDIES FOR VIABILITY

The provision of youth housing under the current funding model is unviable and increasing access will require an appropriate funding allocation.

Given that Commonwealth income support payments are lower for young people than for adults, deeper subsidies are required to provide housing for them.

This has financial implications for organisations providing youth housing, and in order to open up access to a range of rental properties, subsidies need to be available that are deep enough to make it viable for more young people to be provided housing.

Depending on the type of rental property, the required subsidy will vary. For a head-leased property from the private rental market, a deeper subsidy would be required than from an existing social housing dwelling.

The September quarter 2022 Homes Victoria Rental Report shows the median rent for a one-bedroom unit in metropolitan Melbourne was \$360 per week. The maximum Youth Allowance take home for a single young person with no children is \$281.40 per week, which means a housing provider can collect no more than \$84.42 (30% of that income) plus CRA of \$12.54 per week. Therefore a typical rental subsidy required would be approximately \$263 per week, which would need to increase as rents rise.

Whilst the viability gap would be lower for share house arrangements or when allocating an existing social housing property to a young person, a higher subsidy amount would potentially allow for net growth in the stock of housing for young people. This proposal is designed to work with a range of rental property types so as to broaden the number of properties available to young people and allow the greatest flexibility in designing a housing program that works for young people. It aims to support growth in the overall stock of youth-appropriate rental properties.

We welcome a conversation with government about the level of subsidy required across different property types; how the subsidy is calculated and how it could be targeted so as to encourage development of new young person housing across these different types.

The sector invites the Victorian Government to partner with us in designing an effective solution.

The sector is committed and looks forward to working with the Victorian Government to design the solution to the shared issue of youth homelessness. A dedicated and fit-for-purpose youth housing model will ensure that Victorian young people have access to the housing and support most appropriate for their circumstances, for the time needed to achieve their goals. It must address youth homelessness as it stands today and prevent future young people from experiencing homelessness, and in particular, the impacts that often lead to life-long disadvantages.

Youth housing will and should always sit within the broader housing and homelessness system. However, the model must be targeted - with a youth-appropriate approach to services and supports, and the correct funding allocation that opens access to new, youth-specific housing stock.

Recovery focused and strengths-based, a new approach is desperately needed in Victoria that meets demand and resolves system-level barriers. Moreover, this model has a compelling business case, and its potential return on investment extends far beyond the inherent social outcomes for young people, or the return that can be achieved within the adult system. It offers wide-reaching economic benefits, including the increased labor market participation and earning capacity of the next generation of Victorian adults. It will also likely reduce the burden on the health and social service system, creating efficiencies for the decades to come.

Achieving these outcomes will require a commitment and focused investment of time and resources, yet it won't mean starting from scratch. There is a wealth of knowledge within the Victorian Government and across the sector, and an evidence base of practices and programs that can be adapted to suit the Victorian context.

The sector is committed to resolving this significant issue and looks forward to working with the Victorian Government in designing the solution.



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