



FoyerInvest pre-budget submission:

An opportunity for NSW Government to create pathways to thriving, independent futures for young people at risk of and experiencing homelessness.

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Youth Foyers: a place-based solution to youth homelessness that enables lifelong independence and is ready to scale

Introduction

Nearly a quarter (22%) of all people experiencing homelessness in NSW are children and young people.¹ 3 in 5 young people requesting Specialist Homelessness Support (SHS) support are repeat users.² Too many young people are being trapped in intergenerational cycles of disadvantage that span intersecting policy domains - housing, education, employment, health, domestic violence, mental health and more.

For young people experiencing or at risk of homelessness, Youth Foyers offer a pathway out of this cycle towards independent, thriving futures. A Youth Foyer provides a safe and stable home for approximately 40 young people aged 16-24, with integrated education and employment supports under one roof 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.³

There are currently 11 accredited Youth Foyers in Australia, with a further 9 due to be accredited by the end of 2023. In NSW there are 60 Foyer units 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 falls far short of Shelter NSW's conservatively estimated demand for 822 units in NSW.⁴

FoyerInvest – a National consortium of leading service organisations, philanthropists and investors supported by the Foyer Foundation – 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 and are seeking investment.

The Foyer Foundation is making this submission on behalf of the FoyerInvest consortium in NSW including Uniting NSW/ACT, Mission Australia, CatholicCare Broken Bay, Orana Support Services, and Platform Youth Services.

We are seeking NSW Government commitment to invest in at least 4 new Youth Foyers in NSW to enable young people experiencing or at risk of homelessness to transition to independent, thriving futures.

There is a strong pipeline of Youth Foyers projects in NSW, with at least 4 sites – Central Coast, Penrith, Dubbo and Orange – ready for development within 2 years. Significant investment in land, planning and community engagement has already been made by organisations leading NSW Youth Foyer projects. Some sites already have land secured (or board approval for purchase) and a portion of the capital required raised.

To establish 4 new Youth Foyers we are seeking NSW Government commitment of:

- \$45m in capital, and \$4.8m in total operating costs for the first 3 years (2023-26)
- Commitment of \$6.4 per annum in ongoing operating costs (2026-27 and ongoing)

These indicative costs are based on the average costs for a 40 bed Foyer of \$15m to develop and \$1.6m-\$2.0m to operate, as well as legal, real estate and financing costs.⁵ We have reduced the investment ask of NSW Government taking into consideration investment already secured.

¹ [ABS, 2021 Census Data](#)

² [AIHW 2021](#)

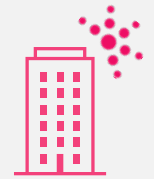
³ [Accenture, Under One Roof: The Social and Economic Impact of Youth Foyers, 2022](#)

⁴ [Insight Consulting, Scaling Foyers for NSW. Report prepared for Shelter NSW, 2021](#)

⁵ [Accenture, 2022](#)

Investing in 4 new Youth Foyers in NSW will:

- Build an additional 143 Youth Foyer units in NSW, increasing the total number of Youth Foyer units in NSW to just over 250
- Enable an additional 1180 children and young people at risk of or experiencing homelessness to transition to independent, thriving futures over 10 years
- Deliver governments an economic return of \$6 for every additional \$1 invested.⁶

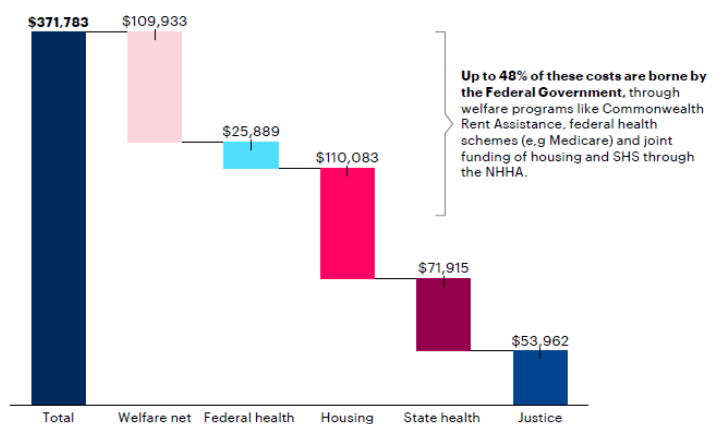


The problem

6,300 children and young people aged 15-24 are accessing specialist homelessness services in NSW.⁷ With increasing housing stress, intensifying of the housing rental crisis and potential for increased unemployment, this is expected to increase.⁸ The current system, focused primarily on short-term housing and crisis support, is not sufficient to meet escalating demand. Our support system is failing to deliver sustained and lasting impact to these young people's lives, with 60% having previously presented to an SHS.⁹

Neglecting to invest in the future of our young costs governments and increases the likelihood of a lifetime of adverse outcomes, decreasing the ability to sustain education or employment, which causes cycles of disadvantage and flow-on intergenerational effects.

Lifetime costs to the Federal and State Governments of a young person who is experiencing homelessness⁹
\$AUD 2021. Net present value (NPV). Average young person eligible for Foyer support



The current lifetime cost of a young person in the SHS system is \$371,783.¹⁰

The solution

Youth Foyers are a placed-based, integrated solution providing education, employment and accommodation for young people aged 16-24 who are at risk of or experiencing homelessness.

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.

Upon entry to Foyers, young people sign up to "The Deal", in which they agree to participate fully in the Foyer service offers of education, work, social activities and developing life skills and independence and recognises young people's agency in directing their own lives and the role of Foyers in enabling that agency.

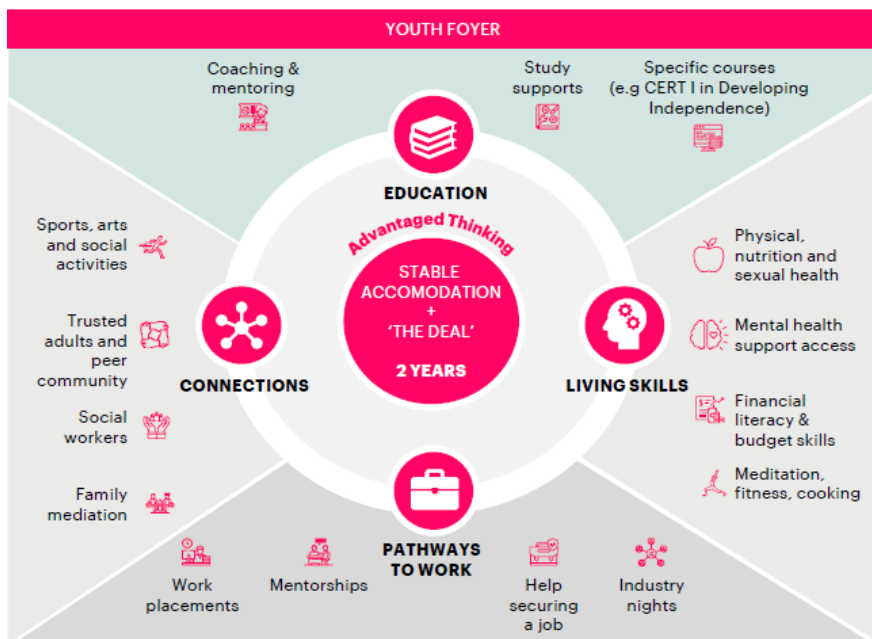
⁶ Accenture, Under One Roof: The Social and Economic Impact of Youth Foyers, 2022

⁷ AIHW data for NSW, March 2023

⁸ AIHW 2021

⁹ Ibid.

¹⁰ Accenture, 2022.



The success of Youth Foyers is a result of the combination of stable accommodation with the Advantaged Thinking service offering that is tailored to every individual's unique circumstances and community context.

Social outcomes

Foyers have a demonstrated track record of success both here and globally, with over 130 operating in the UK since the 1990s. Recent analysis by Accenture finds that over 80% of young people exit a Foyer into stable housing, with high education, training and employment outcomes when compared with a similar cohort exiting from mainstream SHS services.¹¹

Education and training



46%

Achieve a higher educational outcome

Young people in Foyer are supported through education and training, with 46 per cent achieving a higher level of education from being in a Foyer, compared to 33 per cent for SHS.

Foyers have close partnerships to education support, with many located on TAFE grounds.

Health and wellbeing

Foyers aim to promote and build positive physical, emotional and psychological health through workshops, trainings, peer supported groups as well as referrals and access to specialist physical and psychological health services.



“Whenever I was stressed or anxious, the outdoor area was very relaxing because I used to always [garden there]. It began to be therapeutic. - Ramis¹

Social connections



The stable housing environment provided by Foyer facilitates the development of social connections, which are **key to building self-esteem and a sense of belonging.**

“The services that [Foyer] put me in touch with, and all the opportunities that [Foyer] gave me have helped me grow professionally and personally. - Shaun¹

Employment and income



65 per cent of Foyer participants gain employment, compared to 53 per cent if they had gone through SHS. This is thanks to the pathways to work and mentorship programs offered at Foyer.

“My youth development worker helped me with the cover letter and my résumé, and I got accepted. Everyone in the Foyer knows that I want to be an engineer. I'm working in an engineering company now. - Firouz¹

Independence and financial skills

Certificate I in Developing Independence, delivered in partnership with TAFE, assists young people in Foyer to **map their aspirations**, develop goal-setting and planning skills and identify the resources and networks needed to **pursue goals**.



“I'm clearer about what I want to do in the future, and I feel more mature than before. - Firouz¹

Safe housing and living skills



80 per cent of participants exit Foyer into stable housing,² with 72 per cent of young people exiting into private housing.

80%
Exit Foyer into stable housing

Foyer enables this transition by developing residency and living skills to sustain independent living, particularly in shared tenancies.

¹¹ Accenture, 2022.

Financial benefits

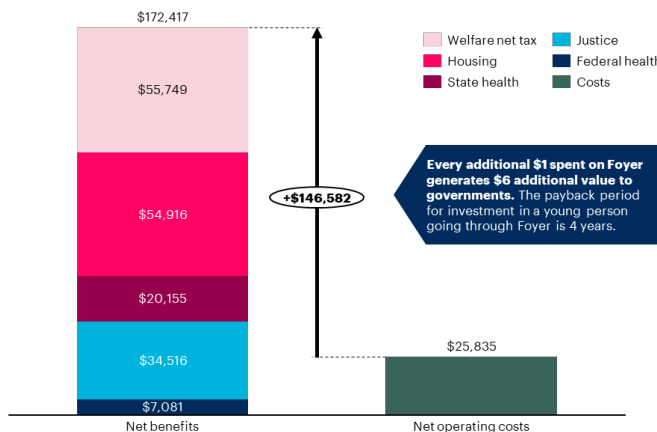
For every additional \$1 of investment, Foyers deliver \$6 in benefits to governments.

Youth Foyers create net benefits by reducing government costs from services across housing, health, welfare and justice over 40 years (above what would be achieved in SHS).

These figures capture the fiscal benefits only. The figures do not reflect the societal value and value to the individual created as a result of improved life outcomes after living in a Youth Foyer. In short, the total benefits are higher than those captured in fiscal figures alone.

Avoided government costs and incurred operational expenditure per person in Foyer¹²

Per individual, \$AUD, 2021, NPV, 40 years



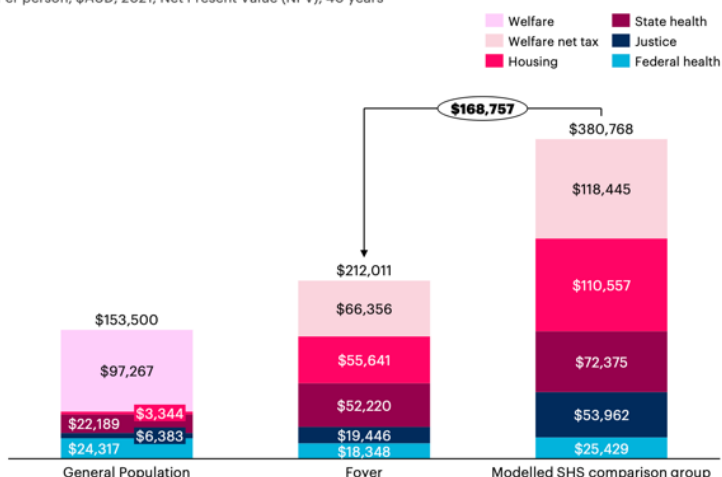
Benefits are split between State and Federal Governments

On average, 52% of the benefits of Foyer go to the State and 48% to the Federal government.¹³

On a per person basis, Foyers create an average of \$80,000 in benefits for the Federal Government across taxation uplifts, welfare and federal health savings.¹⁴

Foyers also create \$89,000 in benefits for State Governments through the avoided social housing, health and justice costs.¹⁵

Cost of government services for a young person in Foyer compared to a young person in SHS
Per person, \$AUD, 2021, Net Present Value (NPV), 40 years



Opportunity for scale

FoyerInvest 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:

Ready to break ground within 1 year

- Central Coast
- Penrith

Ready for development within 1-2 years

- Dubbo
- Orange

¹² Accenture, 2022.

¹³ Accenture, 2022.

¹⁴ Accenture, 2022.

¹⁵ Accenture, 2022.

Other potential locations (2+years)

- Tweed Heads
- Hawkesbury Farm
- Bathurst
- Bega
- Glen Innes
- Northern Sydney
- South Western Sydney

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

The financing structure

Each Youth Foyer houses approximately 40 young people at a time and costs around \$15m each to develop and \$1.6m-\$2.0m to operate, as well as legal, real estate and financing costs.¹⁶

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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 being developed. FoyerInvest seeks to shape these options in collaboration with the NSW Government.

The Foyer Foundation is making this submission on behalf of the FoyerInvest consortium in NSW including Uniting NSW, Mission Australia, CatholicCare Broken Bay, Orana Support Services, Platform Youth Services.



¹⁶ Accenture, 2022. Note: excludes costs associated with maintaining fidelity in the model, e.g. monitoring and evaluation and Foyer accreditation process.

¹⁷ Accenture, 2022