NSW 2025-26 Pre-budget submission

Breaking the cycle of youth homelessness more than bricks and mortar

December 2024



## Youth Foyers offer an evidence-based solution to the youth housing crisis

Youth Foyers provide 16-24 year olds with a safe and stable home, integrated with education, employment and life skills support, all under one roof. These wraparound supports are critical to breaking the cycle of youth homelessness.

Each Youth Foyer provides housing for approximately 40 young people for up to two years, offering an independent unit with private bathroom and kitchenette, alongside communal spaces for skill development and community connection.

Services to support young people move towards independence embrace an "Advantaged Thinking" practice framework focusing on the talents and potential of each person, rather than their challenges. Wraparound supports are provided by youth coaches who establish a "deal" with every young person detailing their goals for independence and the mutual commitments needed to achieve them.

The model, with a 30+ year global track record, gets results. Every \$1 invested delivers a \$6 return due to reduced welfare, justice and health costs and high tax contributions.

10 Youth Foyers in NSW could deliver estimated savings of \$300 million through savings in health, justice, housing and welfare costs



80% exit into stable housing













## **60%**

less likely to engage with justice system





## The housing crisis impacts young people in NSW more than any other age group

While the dream of home ownership is becoming less attainable for recent generations, some young people are impacted by the housing crisis more than others.

More than 13,000 young people presented alone to specialist homelessness services in NSW in 2023/24. With no access to "the bank of mum and dad", these young people are competing in a rental market that is failing adults on double incomes.

Housing affordability is at record lows, and about 2 in 3 young people requesting medium-term specialist housing support are being turned away due to lack of options. Young people in this situation are forced to bounce between crisis accommodation. couch surfing, sleeping in cars, on the streets and in overcrowded dwellings.

It's difficult to finish studies, find a job and lay the foundations for an independent life without a safe and stable place to live.

Crisis and temporary accommodation provides an important part of the response to youth homelessness, but it is not enough to solve homelessness in the longer term.

Homelessness cannot be solved without investment in our service system to include more medium and long-term options that provide more than a roof over a young person's head, alongside crisis response options.

13,000 young people in NSW seek support for homelessness on their own every year

#### **50%** of people

experiencing homelessness in NSW are under age of 24

Up to 70% of young people accessing specialist homelessness services have experienced domestic violence

**3 in 5** 

young people accessing support services are repeat users

### **6 in 10**

**31%** of young

homelessness are

Aboriginal and/or Torres Strait Islanders

people experiencing

young people seeking medium-term housing support are turned away





"There is a housing crisis. Young people don't have enough places to stay. Foyers offer more than just housing, they offer employment support, education support and a community."



Caitlyn

"You cannot go out and get a job or study if you don't have food or stable housing. It's like a pyramid, you can't start building from the top when you don't have a base."

## NSW needs 10 Youth Foyers to enable young people experiencing or at risk of homelessness to transition to independent, thriving futures

There are 27 Youth Foyers in Australia (16 existing Accredited Youth Foyers and 11 under construction). Only two of these are in New South Wales,

10 more Youth Foyers in NSW will unlock positive housing, employment and education outcomes for more than 3,000 young people, including up to 1,000 First Nations young people, over the next decade.

Despite having some of the highest numbers of youth homelessness in local communities, NSW has just two Youth Foyers. In comparison, Victoria has 14 Foyers in operation or being built; Queensland has recently announced new funding that will bring the total to 11 once construction is finished; and Tasmania has 5 Foyers in operation or under construction.

It is essential that this Budget provides additional investment in more medium and long-term housing solutions for young people to transition to independent futures and break cycles of homelessness and disadvantage.

Flve locations in NSW – Wyong, Dubbo, Tweed, Western Sydney and Glen Innes/Armidale. - have shovel ready projects that need a total capital investment of \$80 million to build and \$11 million each year to operate.

Eleven more locations across NSW have been identified by service providers as needing a Foyer and having the right conditions to create thriving futures for young people. Funding a further five Foyers over the medium term would require a further \$100 million in capital funding and \$10 million in operating funding each year.

## **Possible projects**

Five shovel-ready Youth Foyer projects, with 5 more in areas of high-need



Project pipeline: locations of high need, shovelready projects "Foyer gives that safety and comfort, knowing that I don't need to worry about if I will be sleeping on a couch or at a friend's place, having my own responsibility is helping me grow.



#### Five locations have shovel ready projects

#### \$80m to build and \$11m per annum to run

Location	State	Capacity (beds)
Wyong/Central Coast	NSW	57
Tweed Heads	NSW	30
Oxley Park	NSW	40
Glen Innes/Armidale	NSW	30
Dubbo	NSW	42

#### Many other areas have been identified as needing a Foyer

Commitment to a pipeline of 5 more Foyers at an additional cost of \$100m to build and \$10m per annum to run.

Many more areas have high levels of unmet need and the social infrastructure and conditions necessary for a Foyer to succeed, for example:

- Newcastle,
- Wagga Wagga,
- the Mid-North Coast,
- Bathurst and
- numerous locations across Greater Sydney, such as Blacktown, Parramatta, Bankstown, Liverpool and Hawkesbury. See the Appendix for details on each location.

Delivery approach: Ensuring quality and outcomes for young people



## We have building blocks needed to scale a high-quality Foyer network in NSW

	2	3	<b>4</b>
Evidence-based approach	National Youth Foyer Accreditation process	National Youth Foyer Outcomes Framework	FoyerInvest Consortium
All Foyers use the Advantaged Thinking practice framework with seven support areas offered to young people across housing, education, work, health, connection, financial capability and independence. This approach was developed in France and the UK with a global track record of success spanning 30+ years. Independent analysis in Australia shows a return on investment of \$6 for every dollar spent on Youth Foyers.	A rigorous Youth Foyer accreditation process delivered by the Foyer Foundation ensures high standards of design, delivery and practice across Youth Foyers nationally. Services undergo accreditation every four years with a two-year checkpoint to ensure high standards are consistent and maintained. All Accredited Youth Foyers are part of a national Community of Practice — a national network of accredited Foyers that share practice and learning.	Impact is measured consistently across Australia through a national Youth Foyer Outcomes Framework that spans geographies, jurisdictions, service providers and funders. The Foyer Foundation administers the national outcomes framework on behalf of participating services, enabling data-informed practice and continuous improvement.	FoyerInvest is a national consortium of more than 14 organisations working together to grow the reach and impact of Youth Foyers. Bringing together service providers, community housing providers, philanthropists, impact investors and young people, FoyerInvest actively aligns efforts and resources for national impact. FoyerInvest works collaboratively to drive better outcomes for young people, committed to upholding high standards in Youth Foyers as the Foyer network grows.

## The Foyer Foundation makes this submission on behalf of our partners



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

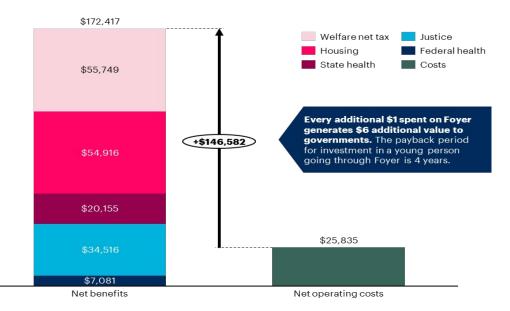
Together we aim to reach 50 Foyers by 2030 and provide more young Australians with the transformative opportunity of safe, supported accommodation with integrated education, training, employment and life skills support.



## For every additional \$1 of investment, Foyers deliver \$6 in benefits to government

Avoided government costs and incurred operational expenditure per person in Foyer

Per person, \$AUD, 2021, Net Present Value (NPV), 40 years



More than 80 per cent of Youth Foyer residents exit into safe and stable housing, 65 per cent gain secure and decent employment and Foyer residents are 60 per cent are less likely to be involved in the justice system.

These outcomes result in \$6 in benefits for every dollar invested, with the Federal Government seeing taxation uplifts and welfare and health savings.

On average, 52% of the benefits of Foyer go to the state and 48% to the federal government.

Notes: Housing costs are based on Productivity Commission (2021) and AIHW (2022), It does not include the cost to support a young person for 1.2 years in Foyer (\$43,517) and SHS (\$17,682), Justice costs are calculated by multiplying the rates of offending by the cost of offending. Cost of offending is based on Taylor Fry 2021. Rates of offending are based on BSL (2019), KPMG (2019), Health costs are a function of housing outcomes, andare based on Maxier based on Maylor Fry 2021. Rates of offending are based on BSL (2019), KPMG (2019), Health costs are a function of employment outcomes for Foyer and SHS. Unemployed individuals are assumed to be on Newstart payments, receiving \$68.40 a forthight. See Methodology for more detail General population costs based on Taylor Fry 2021.

# The average cost of a 40-unit Foyer is \$500k per bed to build and \$54,000 p.a. to operate, providing more than a roof over a young person's head

Construction cost (Average 40-bed, metro Foy	er)
Site works	\$ 110,000
Demolition	\$ 67,540
Youth foyer accommodation building	\$ 11,210,000
External works	\$ 739,000
External services	\$ 206,100
Preliminaries and margin	\$ 1,344,000
Environmentally sustainable design allowances	\$ 154,586
Design Fees	\$ 1,177,000
Design contingency	\$ 1,800,000
Construction contingency	\$ 886,000
Consultants fees	\$ 990,000
External PM & client management fee	\$ 420,000
Contaminated material and rock removal	\$ 70,000
ICT & AV	\$ 105,000
Furnishings, fittings and equipment allowance	\$ 481,040
Substation	\$ 150,000
Authority fees & council costs	\$ 120,000
Construction budget	\$ 20,030,266

Operating costs per annum (Average 40-bed, metro/regi	onal Foyer)
Support Services: Salaries & On-Costs	\$1,338,862
Support Services: Organisational Costs	\$277,510
Support Services: Other (admin, vehicles, IT, phones)	\$101,023
Support Services: Energy Costs	\$20,692
Support Services: Training Costs	\$14,606
Support Services: Client Brokerage	\$73,029
Property Management: Salaries & on-costs	\$127,801
Property Management: Organisational costs	\$19,474
Property Management: Admin costs	\$26,777
Property Management: Property and energy	\$15,214
Property Management: Community engagement	\$2,434
Property Management: Replacement of white goods etc	\$75,463
Property Management: repairs & maintenance	\$79,115
Building insurance	\$79,115
Operating budget	\$2,172,000

Average cost per bed	
Average construction cost per 40-bed metro	\$500,757
Average construction cost per bed (prospectus sites) <sup>1</sup>	\$458,969
Average opex p.a. per 40-bed metro	\$54,300
Average opex p.a. per bed (prospectus sites) <sup>2</sup>	\$62,443

Average per-bed costs are typically higher for Youth Foyers than other forms of youth housing. This is because Youth Foyers provide **more than a roof over a young person's head**.

Youth Foyers provide high-quality student-style housing that encourages young people to re-engage and include important communal spaces to connect, learn, develop living skills, and for cultural activities including areas for study sessions and workshops, a large communal kitchen for cooking classes, group dinners and healthy eating workshops, space for yarning circles and smoking ceremonies, space for community events and to display work.

Youth Foyers **provide supports across 7 service offices** - education, work, health, connection, financial capability, housing and independence.

Notes: 1. Average per bed construction cost overall lower than standard 40-bed Foyer build despite higher costs in remote areas due to lower cost refurbishment projects included in prospectus. 2. Average per bed operating cost slightly higher than metro average due to higher support costs for remote sites with higher First Nations young people

## **Potential additional Foyer locations**

Location	Need and Opportunity
Bathurst	Almost 200 young people across the Central West had unmet need for medium-term housing support last year and 0.8% of young people were experiencing homelessness in 2021. A local provider has identified available land and is developing site plans.
Coffs Harbour	Over 100 young people across the Coffs Harbour-Grafton region had unmet need for medium-term housing support last year and 1% of young people were experiencing homelessness in 2021. Mission Australia operates a youth accommodation program that provides medium-term housing with support. A Foyer would expand the availability of housing for young people linked to education and employment.
Newcastle	More than 200 young people across the Newcastle and Lake Macquarie region had unmet need for medium-term housing support last year and 1% of young people were experiencing homelessness in 2021. There is potential for multiple sites in Newcastle. The need for a Youth Foyer was identified a decade ago by various organisations including Home In Place and Mission Australia. CatholicCare is scoping present needs and site availability and progressing conversations with TAFE NSW on a possible site close to train stations, as well as major shopping and service centres. Uniting NSW/ACT has also identified Newcastle as a potential location based on observed need.
Wagga Wagga	More than 100 young people across the Riverina region had unmet need for medium-term housing support last year and 1.2% of young people were experiencing homelessness in 2021. Mission Australia currently partners with St Vincents to deliver crisis accommodation for young people. The challenge is having housing options to transition young people out of crisis accommodation. They have been exploring the potential to expand the model to provide medium-term accommodation for young people either on the current site or an alternative site.

## Potential additional Foyer locations continued

Location	Need and Opportunity
Hawkesbury	Platform has been working in partnership with a farm-based day program for homeless and at-risk young people with high success RuffTRACK/Backtrack and receiving referrals statewide for homeless young people to access the program. The Hawkesbury has an agriculture high school (Richmond), agriculture TAFE (Richmond) and agriculture University (Hawkesbury), presenting an opportunity to develop an agricultural Foyer that links homeless and disadvantaged young people to supported education and employment while living and working on farm, with wrap-around support; the goal being returning to their communities with employable skills and support networks.
Hornsby	Approximately 70 young people across the North Sydney and Hornsby region had unmet need for medium-term housing support last year and 0.4% of young people were experiencing homelessness in 2021. CatholicCare is currently investigating the possibility of a 40-place Foyer on TAFE land close to a train station, as well as major shopping and service centres.
Parramatta	More than 100 young people across the Parramatta region had unmet need for medium-term housing support last year and 3.2% of young people were experiencing homelessness in 2021. There is an opportunity for an ACCHO-led Foyer with Birribee (NSWALC) supportive of establishing a Foyer in Parramatta.
Campbelltown	More than 150 young people across the Outer South West region had unmet need for medium-term housing support last year and 1.4% of young people were experiencing homelessness in 202. Uniting NSW/ACT has identified a potential location based on observed need.

## Potential additional Foyer locations continued.

Location	Need and Opportunity
Liverpool	More than 100 young people across the South West region had unmet need for medium-term housing support last year and 2.2% of young people were experiencing homelessness in 2021. Uniting NSW/ACT has identified a potential location based on observed need.
Bankstown	More than 200 young people across the Inner South West region had unmet need for medium-term housing support last year and 2.7% of young people were experiencing homelessness in 2021. Mission Australia operates two youth refuges in this area, one on Council land and one on NSW Government land. There is an opportunity to explore if one of these sites is suitable for a Youth Foyer and the potential for Council to contribute land for this project.
Blacktown	A local provider has identified a site location and is developing plans for a Foyer combined with social housing.



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