



National Plan on Housing and Homelessness

Department of Social Services

October 2023

Introduction

The Youth Affairs Council of South Australia (YACSA) is the peak body representing young people aged 12-25 years and the non-government services that support them. YACSA is a member-based organisation, and our policy positions are independent and not aligned with any political party or movement. Our aim is to achieve meaningful improvements in the quality of young people's lives.

YACSA advocates for the fundamental right of all young people to participate in and contribute to all aspects of community life, including decision-making processes that impact them, and we recognise the barriers young people experience when engaging in government decision-making processes.

Young people are disproportionately impacted by the housing crisis and overrepresented in the homeless population, and as a result housing is an advocacy priority area for YACSA.

Key points

- Young people are overrepresented in the population of people experiencing homelessness.
- Unprecedented increases to rental prices have disproportionately impacted young people.
- The rate of young people experiencing homeless in Australia is rising.
- Housing as a basic human right must be prioritised by all governments.

Young people in context

While changes to the housing market have drawn considerable focus since the COVID-19 pandemic, housing insecurity and homelessness have been a primary concern for young people for significantly longerⁱ. Young people have experienced disproportionate social and economic impacts from a series of 'once-in-a-lifetime' events since at least the global financial crisis and limited effort has been made to aid recovery across a number of key areas, including housingⁱⁱ. Australia's housing crisis did not begin with the pandemic, instead it has been developing in intensity as well as complexity for decades. Notably, recent unprecedented increases in rental costs and record low vacancy rates have significantly impacted young people as those living independently primarily source housing from the private rental marketⁱⁱⁱ.

In the past Australians have transitioned through different types of housing throughout their lifetime but this trend is unlikely to continue. Most young people do not consider it realistic to aspire to homeownership due to progressively insurmountable barriers^{iv}, including the current cost of living crisis, and so, young people are facing a lifetime as tenants of the private rental market. Given how profoundly intergenerational inequality has expanded in the last 40 years^v, especially since the pandemic, it is increasingly more likely that young people today will be the first to experience a lower

standard of living than their parents^{vi}, including sourcing lower quality housing at higher prices via the private rental market for life.

While young people are recognised as a vulnerable cohort in regard to housing and homelessness, the existing national plans and frameworks outlined in the issues paper, including the National Framework for Protecting Australia's Children, do not provide for any specific consideration of young people and their experiences of housing. As young people are significantly overrepresented in Australia's homeless population^{vii}, are more likely to live in severely overcrowded dwellings^{viii}, and are overrepresented in the lowest two income quintiles^{ix}, substantial consideration must be given to prioritising support targeted directly to young people to address the continuing impacts of intergenerational inequality, especially regarding housing.

Current approaches to housing and homelessness

Federal government policies directly rather than indirectly influence the affordability of housing and currently support the growth of intergenerational inequality^x. Primarily, it has been decisions by consecutive federal governments to maintain policies such as negative gearing or capital gains concessions^{xi} and to ignore the need for policy to better regulate the private rental market that impacts young people and further entrenches intergenerational inequality.

At least 16 per cent of people attending homelessness support services are young people presenting individually. This is likely to continue with the main drivers of youth homelessness only becoming further entrenched, child protection services being consistently inundated with notifications and affordability of housing deteriorating over the last decade. Current government approaches rely heavily on inadequate levels of social housing, which young people have problems accessing, and youth-specific housing, housing supports, and homelessness services also remains insufficiently developed at a federal and state policy level.

A new housing and homelessness plan is an opportunity to create a youth-specific housing system to ensure access to various levels of support that young people need during transition to independence.

Focus areas

Stable and affordable housing is fundamental to the economic, social, psychological, and physical wellbeing of young people but since renters remain relatively unsupported, Australia is experiencing a rising rate of youth homelessness^{xii}.

Homelessness

Despite being approximately 12 per cent of Australia's population^{xiii}, the 2021 census found young people represented 23 per cent of all people experiencing homelessness in Australia^{xiv}. This representation is likely an underestimation due to the number of young people experiencing 'invisible homelessness' including living in severely overcrowded dwellings or couch-surfing. Affordable housing options for young people should be a priority for a Federal Government plan on housing and homelessness as it is well known that affordable and secure housing is vital for economic, social, physical and psychological wellbeing especially as young people transition to independence^{xv}.

Almost 10 per cent of houses in Australia are unoccupied. The number of dwellings without usual residents that were also empty on census night was estimated to be around 600,000 in 2016, increasing by over 40% to 900,000 in 2021. While some of these houses are unoccupied as they are on the market or under renovation, others are genuinely unoccupied investment properties, second or holiday homes^{xvi}. This is due to Australia's long history of prioritising housing as an investment for wealthier, older cohorts over providing housing as a basic human right. There has been some success reported from jurisdictions that have implemented methods to minimise restrictive practices like land banking including in Ireland where a vacant homes tax applies to dwellings used for less than 30 days in a 12-month period^{xvii}.

Australia lacks a dedicated youth housing and homelessness plan at a national level and so the unique drivers of homelessness for young people as well as the diverse intervention support needed is lacking in policy as well as funding.

Overcrowding

The National Housing and Homelessness Plan Issues Paper commented that people living in severely overcrowded dwellings decreased by 6 per cent from 2016 to 2021. However, there was an increase of 3.6 per cent for young people aged 12-18 years living in severely overcrowded dwellings from 2016 (6,082) compared to 2021 (6,246)^{xviii}. For young people aged 19-24 years, there was limited improvement.

Homelessness services

A substantial proportion of people seeking assistance for homelessness are young people who present to services alone^{xix}. Since 2021 the number of Specialist Homelessness Services (SHS) clients overall in South Australia has increased by 10.6 per cent, however, the proportion of SHS clients aged 15 to 24 years old has decreased by 2.7 per cent. Despite being the most likely age cohort to experience homelessness and the particular need to support young people at risk or experiencing homelessness, young people are underrepresented in SHS clients^{xx}. It is unlikely the decrease in young people engaging with SHS in South Australia is due to a decrease in young people at risk or experiencing homelessness as the rate of homelessness for young people (aged 15-24 years) has only increased since 2006^{xxi}.

Currently, up to half of young people exiting SHS exit back into homelessness^{xxii}. While young people and 'people exiting institutions and care' were identified as priority cohorts by the National Housing and Homelessness Agreement 2018, improvement to homelessness services for these cohorts has been limited. Research from the Australian Housing and Urban Research Institute Limited (AHURI) outlines how redesigning homelessness service systems to ensure a community-based youth-specific homelessness service would provide better support for young people^{xxiii}. Specifically, their review found the approach of South Australia's SHS system of a single 'youth gateway' is unlikely to be effective.

Early intervention

The cost of rental housing is overwhelmingly the primary housing-related issue facing young people^{xxiv} especially as young people are increasingly more likely to rent via the private rental market long-term^{xxv}. Improving support for young people within the private rental market would be an

effective approach to early intervention support for those at risk of homelessness as the current housing crisis is the primary cause of young people's engagement with SHS^{xxvi}. Additionally, an immediate intervention option available to government is to increase both the rate of youth allowance and the rate of Commonwealth Rent Assistance (CRA) to align with the actual rates of rents being paid today^{xxvii}.

The Federal Government has funded reunification programs since the late 1990s and South Australia currently has reunification programs available for young people experiencing or at risk of homelessness. These services support young people to reconnect with family as family breakdown is an identified risk factor for homelessness, however, support available for young people outside of reunification is extremely limited. Investment in development of a community-led early intervention approach that works across issues like education, mental health and substance use using a holistic approach to support young people at risk or experiencing homelessness is needed as current funding approaches and agreements are siloed, limiting the effectiveness of support^{xxviii}.

Young people can live in subpar dwellings under informal agreements and while experiencing this type of housing during the transition to independence is often dismissed as a rite of passage, living in inadequate, precarious, and overcrowded dwellings impacts health and wellbeing and increases the risk of experiencing homelessness^{xxix}. Even securing housing via the private rental market can have an adverse effect on young people who are increasingly likely to live in rental stress and can become stuck in a cycle of financial insecurity making homeownership even less attainable. Currently, support for young people at risk or experiencing homelessness has focused on particular cohorts like young people leaving care or living with a disability. This support is important but more intensive and diverse support must be extended to young people to facilitate early intervention when it is most needed and most effective^{xxx}.

Social housing

Across Australia consecutive federal and state and territory governments have shifted away from government-provided public housing to investing in community-provided social and affordable housing while also moving to rely on market-based processes rather than non-market measures to address housing affordability and availability^{xxxi}. This approach has not generated an adequate supply of housing and despite a focus on community-provided social housing overall, the level of public and social housing available in Australia has substantially decreased.

Further government investment in social housing should be part of addressing housing insecurity and homelessness, however, it does not provide a solution for all cohorts and should only be incorporated as part of a more diverse government investment in sustainable housing. This is especially relevant for addressing housing issues experienced by young people, as they represent less than 3 per cent of social housing tenants^{xxxii}. The current social housing system does not adequately provide support for young people especially as rent for social housing is calculated on income and since young people are typically on lower incomes, they are less lucrative to social housing providers. There are currently no mechanisms in place to ensure a proportion of providers' housing portfolio are available to young people. Further, houses available through the social housing system often do not meet the needs of young people.

Housing costs

The cost of renting is the primary housing-related concern for young people^{xxxiii} and housing is a dominant factor for young people within the current cost of living crisis. The cost of living is now the leading risk factor for suicide in Australia^{xxxiv} and suicide is the leading underlying cause of death among young people in Australia^{xxxv}. It is clear that the Federal Government must lead the nation in prioritising housing affordability and availability specifically for young people.

Young people often miss out on policy interventions within the housing space because they are precariously employed and under-employed, live in shared housing, and often have informal living arrangements. Homeownership has been the focus of support in the past and older cohorts have been in a better position to enter the housing market than young people are now as they face rapid housing price increases and increasing unaffordability within the private rental market^{xxxvi}. Past initiatives have heavily focused on first-home buyers which has been ineffective, providing instead for property investors to the detriment of young people. Another significant barrier to homeownership and a cause of financial stress and poverty among young people is the increasing cost of private rental housing which consecutive governments have failed to address. Regarding direct assistance, the Federal Government spends approximately \$16 billion on housing with 20 per cent given to first-home buyers, detrimentally impacting affordability^{xxxvii}. Priorities of direct assistance should be evaluated to ensure the most pressing need – providing housing as a basic human right – is being supported.

Homeownership

Homeownership rates continue to fall, and homeownership is largely unattainable for young people who are spending a majority of their income on private rental housing. Young people want to own their own home but recognising the barriers to homeownership, often must prioritise education, employment and survival which constitutes a vastly different experience than previous generations in Australia^{xxxviii}. The living arrangements of young people are significantly constrained by low-paid and precarious employment and while unprecedented economic growth helped grow the incomes and wealth of older cohorts in the previous 40 years, young people did not experience the same growth and instead went backwards^{xxxix}. Since the global financial crisis young people have been disadvantaged by long-term wage stagnation resulting in incomes declining by an average of 1.5 per cent annually over the last decade^{xl} and the Productivity Commission found young people experienced a decrease in work hours and increase in precarious employment^{xli}. Additionally, graduates have experienced decreased career progression limiting their ability to take advantage of higher wages to enter the housing market in the same way older cohorts were able to^{xlii}. Educational debt, low-paid precarious employment, unprecedented house prices, and higher cost of living sees very few young people actively planning for homeownership. Instead, young people that are able, are prioritising building limited financial security and paying off growing educational debt.

'Affordable' housing is not remotely affordable for young people. For example, in South Australia the lowest-priced affordable house available via HomeSeeker SA is \$275 – \$320,000 which even with a low deposit loan and first-home buyers grant still requires young people to have over \$8200 in savings for a deposit plus close to \$10,000 for fees and charges. Since young people are still experiencing disproportionate impacts from a series of global events as well as the impacts of economic scarring from limited to no support, it is not realistic for most young people to save up to \$20,000 to access 'affordable' housing.

Rental market

Though home ownership is largely unattainable, entering the private rental market cannot be considered an affordable alternative. Analysis starting in 2016 identified a growing shortage of private rentals affordable for the lowest two income quintiles and found young households are paying disproportionate rates of unaffordable rents. With most young people sourcing housing via the private rental market - the fastest-growing part of the Australian housing market for most of Australian young people's lives^{xliii} – efforts must be made by governments to improve affordability.

Supporting young tenants in the private rental market will provide the most effective and immediate support to young people as they are the most likely age cohort to rent^{xliiv}, they are the most represented age cohort in the lowest two income quintiles^{xliv} and young people report being the most stressed about increases in rental prices^{xlvi}. Young people pay significantly more rent than they can afford, and they experience direct discrimination in the private rental market leading to an increased likelihood of living in substandard and overcrowded properties^{xlvii}. As affordability continues to decrease in the private rental market, more young people enter into informal tenancies where they have fewer rights, face more barriers to enforcing their limited rights and are at greater risk of experiencing detrimental effects to their physical and psychological health^{xlviii}.

Share houses have also become significantly less affordable too which also impacts young people disproportionately, especially vulnerable cohorts of young people like migrants and refugees, international students, and young people living regionally or rurally. A recent analysis of rental properties in South Australia found there were no affordable units, houses or share houses available to rent for a young person on Youth Allowance^{xlix}. This lack of housing options for young people will increase their experiences of 'hidden' forms of homelessness including couch surfing, living in severely overcrowded dwellings and other unsafe living situations^l.

Youth Affairs Council of South Australia Inc
GPO Box 2117
Adelaide SA 5001

Level 4, 182 Victoria Square, Tarntanyangga
Adelaide SA 5000

(08) 8211 7546
yacsa@yacsa.com.au
www.yacsa.com.au



youth affairs council
OF SOUTH AUSTRALIA

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