

Submission to the Senate Community Affairs References Committee on the Inquiry into the worsening rental crisis in Australia

There is no clear pathway to leave care. There is no possible way to plan a secure, safe exit from care [when] you have no idea where you're going until your birthday! Unless you go back to the family you were removed from in the first place. I have not been eligible to apply for accommodation through [name of service], and when I finally was allowed the week before I turned 18, I had to sit through three hours of interviews at three different agencies saying the same stuff and then ended in a refuge. I want to go to university in a few weeks but now I'm homeless. (Female, 18 years)
(McDowall, 2020)

I then went into emergency accommodation and then a mental hostel and now private rental. Rent is expensive. I've been looking and there's NOTHING. (Male, 19 years) (CREATE Foundation, 2022a)

I did need help leaving care, but I just did it by myself kind of thing. It would have been nice to have help. (Female, 19 years) (CREATE Foundation, 2022a)

As soon as I left care, reality hit me in the face – I was on my own. (Young person, 18 years) (CREATE Foundation, 2023)

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About the CREATE Foundation

The CREATE Foundation is the national consumer body for children and young people with an out-of-home care experience. We represent the voices of over 45,000 children and young people currently in care, and those who have transitioned from care up to the age of 25. Our vision is that all children and young people with a care experience reach their full potential. Our mission is to create a better life for children and young people in care.

To do this we:

- **CONNECT** children and young people to each other, CREATE and their community to
- **EMPOWER** children and young people to build self-confidence, self-esteem, and skills that enable them to have a voice and be heard to
- **CHANGE** the care system, in consultation with children and young people, through advocacy to improve policies, practices and services and increase community awareness.

We achieve our mission by facilitating a variety of programs and services for children and young people with a statutory care experience and developing policy and research to advocate for a better care system.


Introduction

Thank you for the opportunity to contribute to the Senate Community Affairs References Committee (the Committee) Inquiry into the worsening rental crisis in Australia. We are pleased to see that an interim report will be presented by 23 September 2023 to inform deliberations of the National Cabinet on renters' rights. We strongly advocate for the interim and final reports to highlight the impact that the worsening rental crisis has and will continue to have on young people exiting care. In doing so, the Committee should recommend that this cohort is prioritised in any action plan or reform agenda and provided with additional supports to enter the rental market and maintain stable tenancies.

Safe, secure and affordable housing is crucial for a successful transition out of care and into independent living. It is one of the critical building blocks for young people transitioning from care and is linked to better health and wellbeing outcomes in general (Rolfe et al., 2020). It also provides a secure base for social and economic participation. Young people with a care experience are vulnerable to homelessness once they exit state care. This is due to ineffective care planning, limited supply and diversity of suitable housing, long waiting lists for social housing, and a lack of financial, material and emotional resources, as a result of young people's life experiences (McDowall, 2020).

The CREATE Foundation strongly believes that young people with a care experience deserve the same life opportunities to thrive as their peers. Exits into homelessness and inappropriate housing are unacceptable. Recent research in Australia has shown that, of the young people with a care experience surveyed, 30% reported they had been homeless at some stage within their first year after leaving care (37% of these for 6 months or more) (McDowall, 2020). This research also showed that one quarter of young people with a care experience surveyed had lost a tenancy or had been forced to leave their accommodation (McDowall, 2020).

The CREATE Foundation is also deeply concerned by data released by the Australian Institute of Health and Welfare (AIHW) in relation to children on care and protection orders in 2014–17 which indicated that over two-thirds (67% or 10,700) experienced homelessness at least once during their Specialist Homelessness Service (SHS) support period. For the nearly 16,000 children on care and



protection orders accessing SHS support, the most common reasons for seeking support were housing crises and family and domestic violence (AIHW, 2022).

Access to adequate housing is a basic human right enshrined in the International Covenant on Economic, Social and Cultural Rights 1966, Article 11. Australia is a party to this international treaty, having signed and ratified the Covenant. The right to adequate housing involves measures to prevent homelessness, support the most vulnerable and marginalised groups, ensure security of tenure for all, and ensure that everyone's housing is adequate (Office of the United Nations High Commissioner for Human Rights, 2009).

Homelessness is a significant violation of the right to adequate housing. As such, the CREATE Foundation emphasises the need to engage in concerted action to address the rising rates of homelessness, particularly the need to provide appropriate support to young people with a care experience or young people transitioning from care.

The experience of young people exiting care who are seeking rental housing

Recent research in Australia showed that one quarter of young people with a care experience surveyed had lost a tenancy or had been forced to leave their accommodation (McDowall, 2020). Young people told the CREATE Foundation about their experiences in the rental market:

I had 12-month youth accommodation arranged where I rented a share house for 12 months with another teenager, and after that was up I found it extremely difficult to find other accommodation because no one wanted to lease accommodation to a teenager that had no parents to sign as a guarantor and especially a child in care that has come into the real estate with a support worker. It was always assumed that I would be wild and party, and trash the house, which I never did at any stage. (Female, 23 years; McDowall, 2020)

I went to juvie and was kicked out during that time. (Male, 19 years; McDowall, 2020)

I wasn't safe and couldn't afford it on the allowance I was on. They helped pay till I was 18 then just stopped and I couldn't afford it anymore. (Female, 19 years; McDowall, 2020)

Landlords can increase rent willy nilly and are not giving enough notice. (Young person, 19 years; CREATE Foundation, 2023)

I went out to live on my own... I felt it was really hard... I don't want to live independently because of this housing crisis... with the rental increases at the moment... I don't want to end up on the streets. (Female, 23 years; CREATE Foundation, 2023)

The guy (landlord) started talking to me like I was stupid, because I was honest and told him about my care history. (Young person, 18 years; CREATE Foundation, 2023)

Young people's experiences highlight the compounding effects that stigma and setbacks in other life domains can have on securing stable housing and their ability to maintain tenancy (McDowall, 2020).

In 2022, the CREATE Foundation also asked 28 young people with a care experience aged 18 – 21 years and living in Western Australia about their thoughts and experiences of finding housing after leaving care. Young people told us:

- there are numerous barriers to finding a place to live, including unsuitable housing options (21%), inability to afford rent (18%) and rental criteria (14%), and
- 29% mentioned tenancy issues as a factor affecting their confidence when transitioning from care (CREATE Foundation, 2022b).

CREATE recommends:

- Any policy and planning resulting from National Cabinet deliberation or reforms recommended by the Senate Committee should attend to the relative disadvantage of care leavers, given the critical importance of finding and maintaining stable accommodation for young people transitioning from care (Martin et al., 2021).
- Governments across Australia should honour commitments made under the National Housing and Homelessness Agreement to prioritise funding received under the Agreement for young people leaving care, with increased transparency on reporting outcomes and impact for this cohort.

Rising rents and rental affordability

Recent research from the Australian Bureau of Statistics (ABS) indicates that median rents began increasing in all states in 2021 and have continued to increase over 2022 (ABS, 2023). The ABS data also suggest that throughout 2022, rents had increased for almost three-quarters of properties, up from around one-quarter every year in the pre COVID-19 pandemic years (ABS, 2023).

The Rental Affordability Index (2022) confirms the rising trend in rental costs and highlights that there is less social and affordable housing than there was a decade ago (SGS Economics and Planning, 2022). This has resulted in lower-income Australians having to rely on the private rental market and suffering from rental stress because rents are often unaffordable (SGS Economics and Planning, 2022). In 2019-20, 42% of all low-income renter households were in rental stress, compared to 35 per cent in 2008 (ABS, 2022).

The rising cost of rents has a compounding impact on young people with a disability and a care experience. At a recent Youth Advisory Group (YAG) meeting, young people accessing the National Disability Insurance Scheme (NDIS) told the CREATE Foundation that the majority (approximately 85%) of their allowance currently goes to housing (CREATE Foundation, 2023) leading to financial vulnerability.

Further, the 2021 ABS Census indicated that on census night, of the 122,494 people experiencing homelessness, the majority of people were aged under 35 years old (71,354 or 58%) (ABS, 2021). Young people aged 12 to 24 comprised 23% of all Australians experiencing homelessness (28,204) and 14% (17,646) were under the age of 12 (ABS, 2021).

The Youth Network of Tasmania's recent report *Emergent Adulthood: A Review of Literature* (2023) highlights the longer-term impact of housing disadvantage on the mental health of young people transitioning to adulthood: "evidence confirms that exposure to housing disadvantage may impact mental health later in life – that is, housing has a central role among the social determinants of mental health" (Rudling et al., 2023; Singh et al. 2019).

Given these pressures around rental affordability and the longer-term impact of housing vulnerability, the CREATE Foundation strongly advocates for the Committee to prioritise young people exiting care as a priority cohort requiring additional supports to both enter and maintain stable accommodation through the rental market.

CREATE recommends:

- That the Committee recommends that Governments across Australia work collaboratively to engage in a deliberate process to interrupt adverse trajectories by:
 - developing tailored action plans that meet the unique housing needs of young people with a care experience through the rental market (especially those who are transitioning from care to independence), to mitigate the risk of homelessness.
 - providing targeted support to young people with a disability and a care experience to address the impact that the rising cost of rents is having on this cohort.
- Robust monitoring of implementation and measurement of outcomes of these action plans and targeted support strategies will also be critical.

Factors impacting supply and demand of affordable rentals

The CREATE Foundation shares concerns highlighted by Shelter Tasmania in their submission on the 2022 Tasmanian Housing Strategy Discussion Paper, highlighting the importance of having detailed information about the impacts of short-stay accommodation on the rental sector and its compounding impact on access to housing for the most vulnerable groups (Shelter Tasmania, 2022).

Research into the impact of short-stay holiday accommodation in Sydney's residential area has indicated that such services potentially remove homes from the permanent rental supply and therefore considerably increase pressures on available housing stock and rents (Gurran & Phibbs, 2017).

CREATE recommends:

- That governments commit to regular reviews of short-term housing, including analysis of surges in demand for housing driven by tourism and its effect on housing shortages. This will support policy reform and inform Government action across all levels to address the worsening rental crisis in Australia.

Enhancing support for young people leaving care as a priority cohort

The CREATE Foundation urges the Committee to elevate young people with a care experience (and those leaving care) as a priority cohort whose needs should be met by the housing system, including through additional supports to secure and maintain rental accommodation.


Finding suitable accommodation is fundamental for young people transitioning from care to support improved life outcomes. In 2022, the CREATE Foundation asked 25 young people with a care experience aged 17 - 21 living in the Australian Capital Territory (ACT) about their thoughts and experiences finding housing after leaving care. Of the young people surveyed:

- 58% didn't know where to start when finding a place to live,
- 47% had experienced homelessness at some point since leaving care, and
- 89% thought it helpful to some degree to be able to return to a supported place (CREATE Foundation, 2022a).

At a recent YAG meeting held in Queensland (QLD), young people told us:

I have been taken off the social housing waitlist as I do not fit the eligibility criteria. (Young person, 19 years; CREATE Foundation, 2023)

Six years [on the] waiting list for social housing. (Female, 20 years; CREATE Foundation, 2023)



Addressing fundamental needs such as stable and affordable housing has the potential to offset long-term demand on health and social services systems for this group, delivering avoided costs for Governments across all levels, as well as improved health and social outcomes for individuals and families.

Research suggests that throughout the transition to adulthood, young people may make several attempts towards independence, with many having the option to return to their family homes in the face of adversity or when they face major problems (Campo & Commerford, 2016). This is not the case for young people leaving care and transitioning to independence, as they do not always have access to a parental/family safety net (Mendes et al., 2011). The recent changes across Australia in providing extended support to 21 for care leavers now means young people have to choose between remaining with their carer until the age of 21, or receiving financial support to help with securing accommodation. However, this financial support is variable across jurisdictions and inadequate in practice. For example, the most generous financial allocation is \$615 per fortnight from which young people must attempt to cover both their living costs and accommodation costs. Further, while the Commonwealth Government offers the Transition to Independent Living Allowance (TILA) (a single payment of \$1500), this one-off payment has not increased since 2009 and is falling behind the cost of living. Young people leaving care therefore face an increased risk of homelessness and require targeted actions to meet their needs.

CREATE recommends:

- That the Committee considers a specialist mix of housing supports to be provided to young people leaving care to divert young people who are exiting care from homelessness. This should include:
 - consideration and/or development of innovative housing models and improved supports and allowances for young care leavers up to age 25 to support their access to the private housing market. This will promote improved life outcomes for these young people.
 - targeted assistance to facilitate young people transitioning from care to maintain their tenancies as part of a broader commitment to ensuring stable housing for this cohort.
- The development of specialist housing supports should incorporate the views and be directly informed by the experiences of young people transitioning from care. Such as step would empower young people as the experts on their own lives.

Conclusion

Thank you again for the opportunity to contribute to the Inquiry into the worsening rental crisis in Australia. Young people preparing to transition to independence from within the care system are among the most vulnerable groups in our society. Finding suitable, stable accommodation is essential for a successful transition. The CREATE Foundation emphasises the need for timely action to support young people transitioning from care to enter the tight rental market and to maintain stable tenancies. We look forward to the release of the Committee's interim and final reports and hope to see young people transitioning from care elevated as a priority cohort that receives additional support.

Should you have any questions or require additional information, please do not hesitate to contact Imogen Edeson, National Advocacy and Influencing Manager, CREATE Foundation.

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