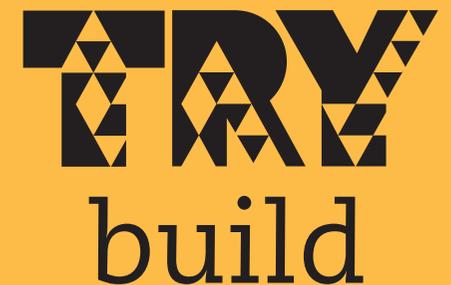


Maximising our SROI*



Why TRY Build?



A snapshot: a growing housing crisis

Demand for affordable housing continues to outpace supply across Australia. As property prices rise and wealthier tenants elect to rent for longer periods, it is Australia's low-income renters who are feeling the housing pressure most acutely.

34,464

applicants are on the waiting list for public housing in Victoria alone.

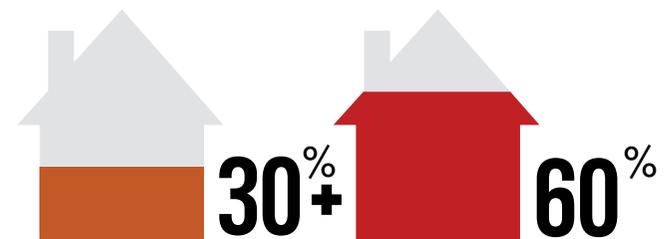
As at June 2015, there were over 34,000 applicants waiting for public housing in Victoria. Australia wide it was over 75,000. In Victoria, a further 7503 are waiting for transfers.¹

Some have been on the waiting list

8 YEARS²

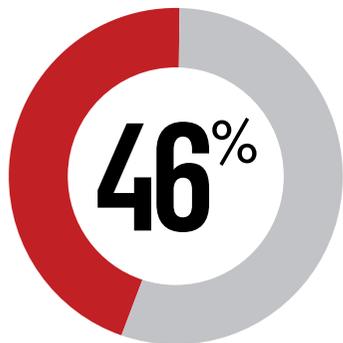
HOUSING STRESS:

The definition of housing stress is where rent consumes more than 30% of household income.



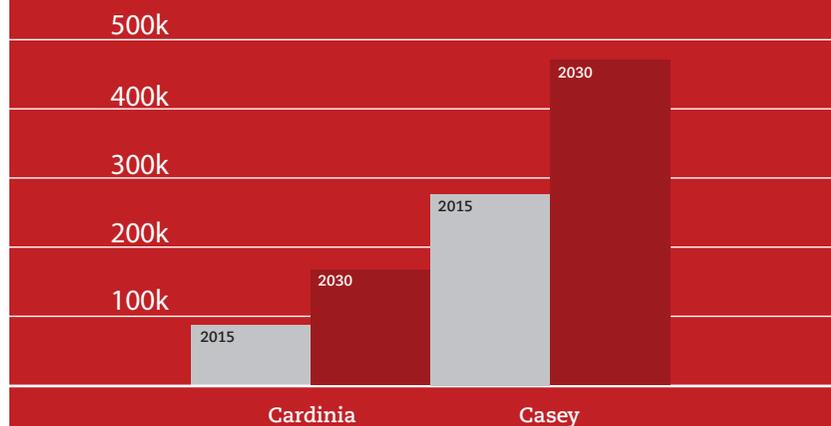
Most low-income households fall into this category. Many more Victorian households spend as much as 60% of their income on rent.

The situation is simply not sustainable for these households, who often must forgo basic necessities in order to afford rent, and frequently suffer higher levels of anxiety, depression, and physical illness as a result of housing stress. Many people are forced into substandard or insecure forms of rental property such as rooming or boarding houses.³



Housing costs are rising so rapidly that 46% of households who need rental assistance are still classified as in 'housing stress' after Commonwealth Rent Assistance has been received.⁴

Current population forecasts in Melbourne's SE corridor suggest this trend is set to continue into the future:



Population forecast 2015-2030 Cardinia and Casey

The current population of Casey is 492,497. By 2030 this is expected to rise more than 70% to 492,497.
The current population of Cardinia is 90,325. By 2030 this is expected to rise more than 90% to 174,993.

Source: idprofile.com.au

Housing stress negatively affects people's health, involvement with the justice system, education, training and employment prospects.

A snapshot: youth homelessness

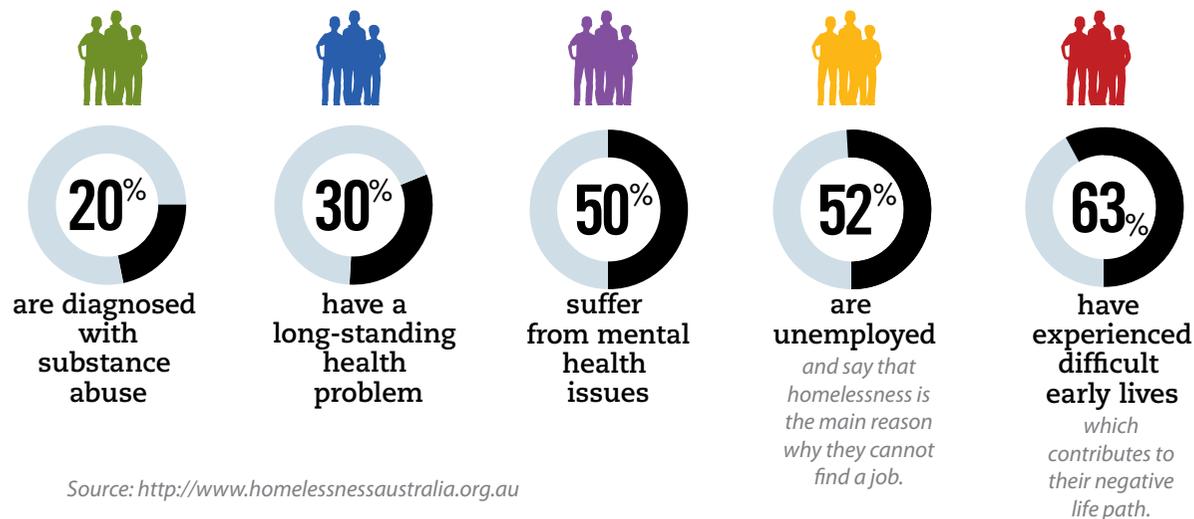
There are over 22,000 people that are homeless or marginally housed in Victoria, and of these, nearly half are young people under 25 years of age.⁵

When thinking about young people who are experiencing homelessness we often hear the term “street kids” and “runaways” but this is not the reality. Most young people experiencing homelessness are hidden from view and aren’t homeless by choice. Some of the most common reasons for young people experiencing homelessness are housing crisis, domestic and family violence and relationship/family breakdown.

There are also a number of structural factors which contribute to youth homelessness including poverty, social inequality and youth unemployment. Young people generally have had less opportunity for further education and work experience, making it more difficult for them to gain employment and get access to rental housing and mortgage options.

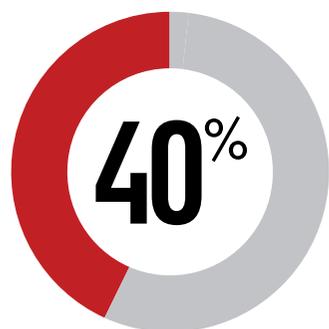
Those who first experience homelessness at a young age are more likely to experience persistent homelessness in adulthood.

Young people who experience homelessness are more likely to disengage with education and employment and to be exposed to factors which are detrimental to their health such as drug use, inadequate nutrition, limited access to medical care and school, unsafe sexual encounters and violence.⁶



Source: <http://www.homelessnessaustralia.org.au>

A snapshot: youth unemployment



Young people aged under 25 make up more than 40 per cent of the unemployed in every year from 2005 to date.⁷

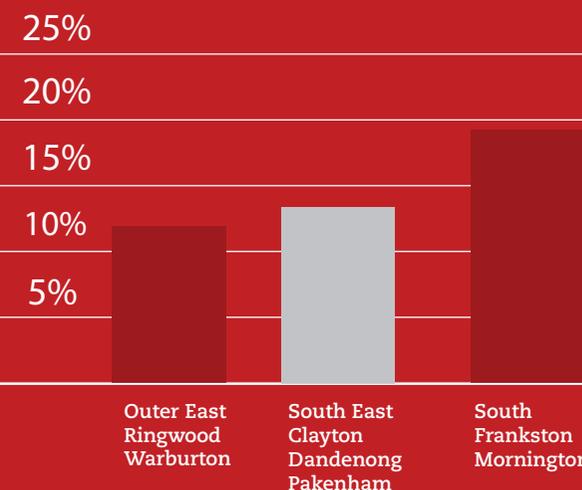
Opportunities to gain first access to entry level positions has greatly reduced since the GFC.⁸

It is clear that Victoria today is facing a jobs crisis. Youth unemployment is at its highest level since the 1990s and Victoria's *under-employment* rate is the highest it has been in more than 40 years.⁹

The youth labour force under-utilisation rate (*combining the numbers of unemployed as well as underemployed 15-24 year olds*) jumped from about 19 per cent in early 2008 to almost 27 per cent in mid-2009, following the global financial crisis. This trend has continued.¹⁰

15-24% have been unemployed for 12 months+

Current economic forecasts suggest this trend is set to continue into the future.



Youth unemployment across Melbourne's South and East

Current youth unemployment across Melbourne's south and east:

Outer East - 12.6%
South East - 13.6%
South - 18.6%

Source: <http://lmip.gov.au>

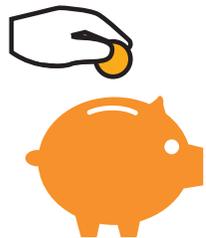
The provision of safe,
secure and affordable housing for people
who may otherwise not have access to it
is one of the most fundamental instruments
of social change.

Community housing can play a critical role in breaking the ongoing cycle of financial hardship faced by many low-income tenants. At below-market rentals it enables low-income earners to spend a significantly lower portion of their household income on housing, protecting them from the volatility of the private rental market.

For every individual moved out of housing-stress or homelessness the community can save on the provision of other support services:

Additionally, the new tenant and their community benefit from increased disposable income:

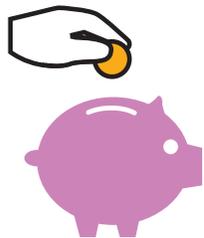
...as well as less tangible benefits such as social inclusion and neighbourhood cohesion.



\$6,447 pa

Justice

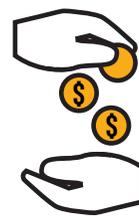
The net benefit to the government from supporting a *male* individual to move into permanent accommodation will save the community \$6447 a year in reduced costs to our justice system.¹¹



\$9,295 pa

Health

The net benefit to the government from supporting a *female* individual to move into permanent accommodation will save the community \$9295 a year in reduced costs to our health system.¹²



\$2,548 pa

Even a small increase in disposable income can translate into significant flow-on (secondary) benefits, as families and individuals are finally able to invest in 'non-shelter' needs such as health, education, and employment. These investments in turn can produce substantial longer term benefits, and can help to break the cycle of poverty and government assistance.¹³



Community housing has frequently been praised for its role in enhancing community sustainability.

Affordable and accessible housing fosters neighbourhood cohesion, encourages civic participation, and gives tenants a sense of connectedness and place. These elements of community inclusion are critical attributes of healthy, vibrant neighbourhoods, and they also produce myriad add-on benefits for individual tenants and families.¹⁴

The benefits of more disposable income extend beyond the direct family unit.

Households with greater spending capacity are better able to support local businesses and community organisations.

Community housing tenants and their children are more likely to pursue educational or training opportunities that will improve their employment prospects:



\$3,016_{pa}

A permanent address increases the likelihood of a young person staying at school. The earning potential for Year 12 graduates as compared to those earning Year 10 or below is an additional \$3016.¹⁵



\$17,784_{pa}

Improved earning potential as measured by part-time employment rates at minimum wage.¹⁶

Through a 'multiplier' effect, community housing plays a role in revitalizing distressed neighbourhoods and contributing towards vibrant local economies.

There are many providers in youth services, community housing and in the job pathways space. Across all sectors there are calls for more integrated approaches that can increase the social impact of the investment governments and communities make to address these issues.

Together with its partners, TRY Build's vision is to make an *integrated* approach a reality in the South-East corridor and maximising the SROI.

There are three key aspects to our approach:

Early intervention

From our long experience in youth mentoring, we know that every **\$1 invested in early intervention can represent, in money terms, as much as \$83 in value to the community in the long term.**¹⁷

If one TRY Build applicant secures a paid traineeship or apprenticeship, the benefits extend far beyond the individual to the community with long term savings in welfare, health and justice.

Training with line-of-sight to a job

A known barrier in the training industry for many is the perception of 'training for training's sake.'¹⁸

Our partnerships with industry will create a more direct line of sight to employment. Connections to actual work for VET applicants and School-based apprenticeships will increase their success as pathways to future employment of choice.

Investment with support

The integration of support services directly into the housing model and the localised nature of these services can significantly enhance the benefits related to housing and contribute to better health, education, and employment outcomes for tenants.

REFERENCES

- 1 www.dhs.vic.gov.au *Public Housing Wait List*
- 2 <http://www.theage.com.au/victoria/crisis-in-public-housing-20110130-1a9p1.html>
- 3 <http://vcoss.org.au/social-justice/housing/>
- 4 [http://www.welfarerights.org.au/sites/default/files/news/Rent Assistance ReportNWRN.pdf](http://www.welfarerights.org.au/sites/default/files/news/Rent_Assistance_ReportNWRN.pdf)
- 5 http://www.homelessnessaustralia.org.au/images/publications/Fact_Sheets/Young_People.pdf
- 6 *Which Way Home? The Australian Government Green Paper on Homelessness*, Commonwealth of Australia, Canberra. Available from: <http://www.facs.gov.au/sa/housing/progserv/homelessness/greenpaper/Pages/default.aspx>
- 7 <http://www.bsl.org.au/media-centre/media-releases/media-release/youth-unemployment-hits-21-per-cent-in-key-australian-hotspots/>
- 8 *Ibid.*
- 9 <http://vcoss.org.au/social-justice/young-people/>
- 10 *Ibid.*
- 11 Zaretsky, K. and Flatau, P. (2013). *The cost of homelessness and the net benefit of homelessness programs: a national study*. Australian Housing and Urban Research Institute, AHURI Final Report No. 218, Melbourne.
- 12 *Ibid.*
- 13 Ravi, A. and Reinhardt, C. (2011). *The Social Value of Community Housing in Australia*. Net Balance, Report for Community Housing Federation of Australia and Powerhousing Australia.
- 14 *Ibid.*
- 15 *Ibid.*
- 16 *Ibid.*
- 17 <http://dro.deakin.edu.au/eserv/DU:30019480/moodie-areyouthmentoring-2009.pdf>
- 18 <http://nesa.com.au/media/70803/nesaagust202014-youthemployment.pdf>

*Social Return on Investment

(SROI) is a systematic way of incorporating social, environmental, economic and other values into decision-making processes.

By helping reveal the economic value of social and environmental outcomes it creates a holistic perspective on whether a development project or social business or enterprise is beneficial and profitable.

This perspective opens up new opportunities and forms the basis for innovative initiatives that genuinely contribute to positive social change and poverty reduction for all.

TRY has been investing in young people and communities in and around Melbourne since 1883.



Australia's first social investment enterprise.

www.try.org.au