

**MISSION  
AUSTRALIA**

# Submission

2025-26 Federal  
Pre-Budget  
submission

January 2025

## About us

Mission Australia is a national Christian charity that has been standing alongside Australians in need since 1859. We work to end homelessness, provide housing, assist struggling families and children, address mental health issues, fight substance dependencies, support people with disability and much more. Together, we stand with Australians in need for as long as they need us. In 2023-24, we supported over 160,000 people through 477 programs and services across several areas including homelessness, housing, strengthening communities, children and families, youth, employment and disability.

## Recommendations

### Housing and homelessness

To respond to the current homelessness emergency which has seen the number of Australians homeless or at risk increase by 63% between 2016 and 2022, representing between 2.7 and 3.2 million people<sup>i</sup>, the Federal Government must:

- **quarantine \$500 million for a dedicated Homelessness Prevention Transformation Fund** to commence in July 2025 and be delivered over 4 years.
- **provide an immediate increase to the maximum thresholds of Commonwealth Rent Assistance by 60%.**
- **review state-based rental subsidies available for people on low and moderate incomes struggling in private rentals.**
- **reinstate and increase funding for Homelessness Australia and National Shelter.**

### Youth homelessness

To assist over 28,000 young people who are homeless (almost a quarter of all homeless people)<sup>ii</sup>, the Federal Government must:

- **provide targeted payments or supplements to equalise young tenants' rents with older cohorts by either:**
  - **introducing a \$408 fortnightly 'unreasonable to live at home' payment** to equate the Youth Allowance with the Age/Disability Pensions; or
  - **introducing a fortnightly supplement to equalise Youth Allowance and Jobseeker payments.**
- **extend the Reconnect program until 2031 and expand its geographic reach and capacity to target younger age cohorts, through an investment of at least \$100 million,** to prevent youth homelessness.
- **invest \$184 million capital to construct ten 40-unit Youth Foyers** over three years.
- **provide funding for 15,000 youth tenancies across Australia each year** to address the youth homelessness need for medium- to long-term housing.

## AOD support for young people

To address illicit drug use which leads to one in three 10-29 year-olds accessing alcohol and other drug (AOD) services for problematic use<sup>iii</sup>, the Federal Government must:

- **extend funding for all youth AOD services which have funding end dates in 2026 through new minimum five-year agreements.**
- **channel immediate funding for new youth-specific AOD residential services and integrated aftercare supports**, initially leveraging philanthropic support via established delivery organisations.
- **invest \$38 million in upgrading and expanding the Triple Care Farm youth AOD residential rehab facilities** at Roberston and Batemans Bay in NSW.

## 1. HOUSING AND HOMELESSNESS

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Mission Australia urges the Government to build on its strong start to addressing the housing and homelessness emergency through the establishment of the Housing Australia Future Fund. This rolling investment into social and affordable housing should now be complemented with a focus on approaches we know provide early intervention and prevention of homelessness, to ensure it is **rare, brief and non-recurring**.

### Establish a \$500 million Homelessness Prevention Transformation Fund

The homelessness service system must substantially transform if we are to end homelessness. Currently, Mission Australia and others are working within a system designed primarily to respond to people when they are homeless, or when it is almost unavoidable – this is too late. If we build capacity and capability to provide the right assistance to people before they reach crisis point, we will avoid unnecessary human misery, and more effectively help them maintain or find housing (with or without complementary supports) and save taxpayer funds.

To shift the system to this more efficient footing (see diagram below), Mission Australia recommends that the centrepiece of reform be a \$500 million Homelessness Prevention Transformation Fund. The Fund would have the main objective of catalysing the transition to prevention by funding policy, program and practice changes, investing in evidence-based housing and support models, with the secondary objective of freeing up investment in housing and homelessness over the longer term as the need for cost-intensive crisis interventions diminishes.



### Recommendation

- The Federal Government **quarantine \$500 million for a dedicated Homelessness Prevention Transformation Fund** in to commence in July 2025 and be delivered over 4 years.

### Increase CRA by 60%

Cost of living pressures are being felt most acutely by people on the lowest incomes who are renting privately, in large part due to skyrocketing and unaffordable rents. They are overwhelmingly experiencing housing stress (94%<sup>iv</sup>) and at extreme risk of homelessness.

Over 40% of low-income households are in housing stress and at risk of being pushed into homelessness, despite receiving CRA.<sup>v</sup> Since COVID, national rents have risen by 36.1%, increasing by \$171 per week or \$8,884 per year at the median level.<sup>vi</sup>

The Productivity Commission has called for a CRA review that would cover all aspects of the payment design (including minimum and maximum rates, the co-payment rate, indexation, income tapering and eligibility) with the aim of improving the sufficiency, fairness and effectiveness.

### Recommendation

- The Federal Government **provide an immediate increase to the maximum thresholds of Commonwealth Rent Assistance by 60%.**
- The Federal Government **review state-based rental subsidies available for people on low and moderate incomes** struggling in private rentals.

### Sustainable funding for Homelessness Australia and National Shelter

The peak bodies for homelessness and housing in Australia have gone without government funding for close to a decade. As with their counterparts across the community sector, they should be supported by sustainable government funding to carry out their critical work. Despite a challenging fiscal environment, both organisations provide strong leadership, advocacy, policy and research work.

Mission Australia is a member of both organisations and supports their respective bids for sustainable funding which they have provided to the Government.

## Recommendation

- The Federal Government **reinstate and increase funding for Homelessness Australia and National Shelter.**

## 2. Youth homelessness

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### Subsidy to assist young people facing disadvantage to live independently

Australia's housing system cannot adequately provide safe homes and support for under-25s. This particularly affects young people escaping family violence and other unaccompanied young people facing homelessness.

Young people's lower incomes put them at a severe disadvantage both in the private and non-private rental market, compared to households that receive higher forms of income support. They require higher government subsidies and miss out on other housing initiatives due to the lack of dedicated youth tenancies and specific mandates. Public and community housing providers are disincentivised to provide housing to young tenants due to lower their rental income from social security.

Mission Australia is a supporter of the Home Time Campaign<sup>vii</sup> and this recommendation is part of their platform.

## Recommendation

- The Federal Government **provide targeted payments or supplements to equalise young tenants' rents with older cohorts by either:**
  - **introducing a \$408 fortnightly 'unreasonable to live at home' payment** to equate the Youth Allowance with the Age/Disability Pensions; or
  - **introducing a fortnightly supplement to equalise Youth Allowance and Jobseeker payments.**

### Increase Reconnect program funding

Reconnect is a vital response for young people at risk of homelessness, as it is the only large-scale youth homelessness program in Australia focussed on preventing homelessness. It is funded by the Federal Government and due to cease in 2026.

It is critically important to direct resources early in a person's life course as a large proportion of people who become chronically homeless had their first experience of homelessness before the age of 18 years.<sup>viii</sup>

Reconnect has been proven to be effective in reducing homelessness for young people at risk.<sup>ix</sup> Data from Mission Australia's Impact Measurement program, up to December 2024, also demonstrated increases to wellbeing, with 77% of young people reporting improvements after participating in our Reconnect services.

We urge the Federal Government to expand this prevention/early intervention response to youth homelessness, to meet growing need, both in terms of geography and age range:

- More parts of the country would benefit from Reconnect services and increases in capacity. For example, in the Northern Territory, 67% of homeless young people reside outside of Greater Darwin, while 63% of homeless young people in Queensland live in regional areas.<sup>x</sup> But both of those areas are under-served by the Reconnect program. Further, Reconnect should incorporate stronger place-based elements, as is supported by the review and the Department itself.<sup>xi</sup>
- There are very few homelessness services suitable and available for children under 15 years old, and even fewer for those under 12 years old. But the need in those age groups is steeply rising. Specialist children's homelessness services is a gap in many areas, especially regional and remote areas.

The recent review into Reconnect highlighted these points by recommending that the program utilise population-based mapping in the future to understand whether Reconnect activities and outlets are in the right geographical locations.

Mission Australia welcomes the directions set out by the review findings. As an experienced Reconnect provider, we are ready to contribute further insights from our frontline staff and service users.

### Recommendation

- The Federal Government **extend the Reconnect program until 2031 and expand its geographic reach and capacity to target younger age cohorts, through an investment of at least \$100 million**, to prevent youth homelessness.

### Invest in Youth Foyers

Mission Australia supports an extension of the reach and impact of Youth Foyers across Australia, as one of a needed suite of evidence-based measures to address youth homelessness. As a member of FoyerInvest (a consortium of service providers, philanthropists, impact investors and young people working collaboratively), we endorse FoyerInvest's pre-budget submission recommendation which would substantially increase the number of Foyers across Australia.

Based on 2020 data from nine Foyers across Australia, young people are 1.6 times more likely to achieve a higher level of education compared to those connected with Specialist Homelessness Services. Further, 65% of young people in Foyers gain employment compared to 51% in SHS, and 80% exit into stable housing.<sup>xii</sup> The Foyer model has been shown to result in an overall per person benefit to government of \$90,042.48 (in June 2023 dollars) in avoided costs over 40 years.<sup>xiii</sup>

Mission Australia opened our Youth Foyer in Townsville in 2024 and, already, the experiences of the 40 young people living there have reinforced the evidence of the model's effectiveness. See Miranda's story below.

### Recommendation

- The Federal Government **invest \$184 million capital to construct ten 40-unit Youth Foyers over three years.**

## Miranda's\* story

Miranda was couch surfing and sleeping rough before coming to Townsville Youth Foyer. Throughout her life, Miranda had been in and out of child protection services and residential care. She was exposed to domestic violence and both of her parents were incarcerated. Occasionally, she would have the presence of family, staying with her grandmother in a campervan when she was visiting town.

Despite the adversity of her early years, Miranda was actively working with an employment provider and pursuing a career in hospitality. However, she struggled with her goal due to housing instability and lack of security in her daily life. Through the Sustaining Young Tenancies program at Mission Australia, Miranda learned about the Foyer.

Moving into the Foyer, Miranda was overwhelmed by all the space and couldn't believe it was all hers. She connected with the onsite youth development coach and began making friends within the Foyer community. Shortly after settling in, Miranda enrolled in a Certificate III in Hospitality through the Dream, Achieve, Believe program at Cowboy House (North Queensland Toyota Cowboys and the Cowboys Community Foundation initiative). As part of the course, Miranda was selected to work at the Cowboy's Leagues Club, where she found joy in doing work that aligned with her goal.

Miranda also participated in volunteering opportunities at Cowboys House, learning new skills like cocktail making and operating the coffee machine. Her experience was rewarding, and there's hope that she will be offered a position at the Leagues Club once she completes her course.

Looking ahead, Miranda dreams of relocating to Brisbane to work in a large establishment, saving enough money to purchase her own land, and creating a safe home for her siblings.

*\*Not the young person's real name.*

## Fund and maintain a national pool of 15,000 dedicated youth housing tenancies

Around 15,000 unaccompanied young people and children access Specialist Homelessness Services in Australia each year, desperately needing medium- to long-term housing.<sup>xiv</sup> Mission Australia is a supporter of the Home Time Coalition of peak bodies and frontline services from the homelessness, housing and youth sectors around Australia. We strongly support its recommendation that a national target of 15,000 dedicated tenancies for young people who are homeless or at risk of homelessness be available and maintained each year.

Mission Australia is a supporter of the Home Time Campaign and this recommendation is part of their platform.

### Recommendation

- The Federal Government **provide, as called by the Home Time Campaign, funding for 15,000 youth tenancies across Australia each year** to address the youth homelessness need for medium- to long-term housing.

### 3. Youth AOD support

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#### Ensure young people have continued access to sustainable AOD services

Illicit drug use is highest among young people, and growing for the 14-17 year-old cohort which leads to one in three 10-29 year-olds accessing alcohol and other drug (AOD) services for problematic use,<sup>xv</sup>

To meet this demand through quality and sustainable AOD support services, any ongoing funding arrangements must:

1. cover the full cost of service delivery, including infrastructure, management and administration costs, and appropriate indexation; and
2. shift to longer term contracts of five to seven years.

This reflects consistent calls from services over many years for governments to implement these and other changes to strengthen the practice of commissioning services. This has been most recently highlighted in the Department of Social Services' *Reforms to strengthen the community sector* report. We also note that Minister Gallagher has indicated that "*the Department of Finance is reviewing its guidance to entities and the whole-of-government grant agreement template to reinforce the Government's commitment to longer-term grant agreements, where they are appropriate.*" We are hopeful this direction is adopted across all new funding announced in the next Federal Budget.

#### Recommendation:

- The Federal Government **extend funding for all youth alcohol and other drug (AOD) services which have funding end dates in 2026 with new minimum five-year agreements.**

#### Invest in the expansion of youth residential treatment services

A short-term solution to meet this need could involve the Federal Government leveraging fundraising and philanthropic funds, already available to established service delivery organisations. Their access to capital investment can form co-contributions alongside Federal Government investment, to rapidly increase capacity in high need areas across Australia. For example, an investment of \$8 million over three years (\$2 million for building and establishment costs plus \$6 million for service delivery over three years) would fund a residential rehabilitation facility with 8-10 beds based on Mission Australia's successful Triple Care Farm model, which has been calculated to generate a Social Return on Investment of \$7 for every \$1 invested.<sup>xvi</sup>

Partnerships between the Government and service delivery organisations such as Mission Australia who have and/or can generate philanthropic funding would provide an expedited response, while more sustainable funding arrangements are put in place by governments that share responsibility in this area.

#### Recommendation

- The Federal Government **channel immediate funding for new youth-specific AOD residential services and integrated aftercare supports**, initially leveraging philanthropic support via established delivery organisations.

## Invest in the upgrade and expansion of Triple Care Farm

Mission Australia is committed to providing high quality services to young people experiencing AOD issues. In the southern part of NSW, MA operates Triple Care Farm (TCF) youth AOD residential rehabilitation facilities in both Roberston and Batemans Bay. Given the high unmet demand for places for young people with AOD issues and the decommissioning of some buildings at our current facilities, we are investigating expanding and upgrading our AOD facilities in those two sites.

Under this proposal, we are seeking \$38.2 million in Federal Government investment to: expand capacity from 12 to 18 beds and improve outcomes by funding construction works at TCF Robertson; expand capacity from 10 to 14 beds by funding construction works at TCF Batemans Bay ; and ensure continuity of service delivery by fully funding five years of operational funding for both TCF Robertson and Batemans Bay. This would leverage Mission Australia's in-kind contribution of approximately \$11m in land value across both properties.

Together, these investments would provide continuity, certainty and longevity of service provision for young people in southern NSW. We look forward to continuing discussions on this proposal that has already been discussed with Minister Butler's office and the Department of Health and Aged Care.

### Recommendation

- The Federal Government **invest \$38 million in upgrading and expanding the Triple Care Farm youth AOD residential rehab facilities** at Roberston and Batemans Bay in NSW.

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<sup>i</sup> Impact Economics and Policy (2024). Call Unanswered Unmet Demand for Specialist Homelessness Services, <https://homelessnessaustralia.org.au/wp-content/uploads/2024/11/Impact-Economics-Call-Unanswered.pdf>

<sup>ii</sup> Australian Bureau of Statistics (2021). Estimating Homelessness: Census, <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release>.

<sup>iii</sup> AIHW (2024), Alcohol and other drug treatment services in Australia annual report, <https://www.aihw.gov.au/reports/alcohol-other-drug-treatment-services/alcohol-other-drug-treatment-services-australia>

<sup>iv</sup> ACOSS (2023). "It's not enough": why more is needed to lift people out of poverty SEPTEMBER 2023, [https://www.acoss.org.au/wp-content/uploads/2023/09/ACOSS\\_COL\\_Report\\_Sep\\_2023\\_Web.pdf](https://www.acoss.org.au/wp-content/uploads/2023/09/ACOSS_COL_Report_Sep_2023_Web.pdf).

<sup>v</sup> Productivity Commission (2023). Report on Government Services 2024 G Housing and homelessness, <https://www.pc.gov.au/ongoing/report-on-government-services/2024/housing-and-homelessness>.

<sup>vi</sup> Corelogic (2025). National rental market has "well and truly passed the peak of the recent rental boom", <https://www.corelogic.com.au/news-research/news/2025/national-rental-market-has-well-and-truly-passed-the-peak-of-the-recent-rental-boom>.

<sup>vii</sup> See further: <https://www.hometime.org.au/>.

<sup>viii</sup> Chamberlain, C. and Johnson, G. (2011) Pathways into adult homelessness, *Journal of Sociology*, March 2013 49:60–77, first published on November 7, 2011.

<sup>ix</sup> MacKenzie, D., Hand, T., Zufferey, C., McNelis, S., Spinney, A. and Tedmanson, D. (2020) Redesign of a homelessness service system for young people, AHURI Final Report 327, Australian Housing and Urban Research Institute Limited, <http://www.ahuri.edu.au/research/final-reports/32>.

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<sup>x</sup> Homelessness Australia (2024). 2024 Child Homelessness Snapshot, <https://homelessnessaustralia.org.au/wp-content/uploads/2024/08/HA-2024-Child-Homelessness-Snapshot-v02.pdf>.

<sup>xi</sup> Department of Social Services (2018) Reconnect operational guidelines: 1 July 2018 to 30 June 2021, Australian Government, Canberra, accessed 8 November 2019, [https://www.dss.gov.au/sites/default/files/documents/07\\_2018/reconnect\\_operational\\_guidelines\\_2018-2021.pdf](https://www.dss.gov.au/sites/default/files/documents/07_2018/reconnect_operational_guidelines_2018-2021.pdf).

<sup>xii</sup> Accenture (2022). Under oneRoof: The Social and Economic Impact of Youth Foyers, [https://foyer.org.au/wp-content/uploads/2023/04/FoyerFoundation\\_UnderOneRoof\\_FULLReport2023.pdf](https://foyer.org.au/wp-content/uploads/2023/04/FoyerFoundation_UnderOneRoof_FULLReport2023.pdf)

<sup>xiii</sup> Accenture (2022).

<sup>xiv</sup> AIHW Specialist homelessness services data cubes 2022-23

<sup>xv</sup> AIHW (2024), Alcohol and other drug treatment services in Australia annual report, <https://www.aihw.gov.au/reports/alcohol-other-drug-treatment-services/alcohol-other-drug-treatment-services-australia>

<sup>xvi</sup> Sir David Martin Foundation (2020).