Every year, some 41,000 young people aged between 15 and 24 years seek assistance from homelessness agencies throughout Australia. Housing affordability problems, insecurities of the labour market, deep-seated issues around violence in the home and weak family support networks, drug and alcohol issues, and high levels of psychological distress and isolation all contribute to youth homelessness remaining a social problem that has defied efforts to solve it.

As a Federal election looms in early July, political debate has focused on issues of Budget repair and expenditure savings. There has been a renewed emphasis on innovation: undoubtedly a critical source of growth and productivity. However, there has been a lack of focus on social innovation and the benefits it can bring. Who would have thought that a part of the answer to difficult long-term Budget issues as well as improved productivity and growth (never mind greater fairness and wellbeing) lie in strategic investment in innovative programs designed to reduce the number of young people who experience homelessness?

The Cost of Youth Homelessness in Australia study has determined that youth homelessness costs Australia an estimated $626 million a year just in health and justice service costs. The more that young people become homeless and stay homeless, the more these costs escalate. And the mental health issues that develop or deepen through the experience of homelessness simply add to these costs.

There is also the significant personal cost for many young people of homelessness, as evident in the alarming rates of attempted suicide and self-harm we found in the study. Early school leaving for many also leads to long-term personal disadvantage and significant social cost in terms of Australia’s economic productivity, income support payments and income tax receipts.

The research has provided a strong case to government to adopt a more sophisticated approach to addressing social problems by recognising that spending money on effective innovative responses is an investment that can achieve major cost savings in the medium to long term.

While infrastructure projects are supposed to be subjected to rigorous cost-benefit analyses, social policy and programs are launched, then cutback without any serious examination of the economic advantages or disadvantages involved.

The finding of such high health and justice costs should encourage government to invest in early intervention programs. Screening for risk of homelessness and a more sophisticated and integrated support infrastructure in schools and at the local community level is required.

A significant proportion of the young people in our research study left home because of family violence. Addressing family violence and its root causes is critical to a long-term prevention of homelessness.

Getting young people into safe and stable accommodation as quickly as possible when harm is in their way is fundamental; not only good for them...
but for society and the economy generally.

The Youth Foyers in Australia and other similar models provide a safe, supported environment for young people to undertake education and training and gain employment. Such models are an important and welcome development but they need an adequate sustainable funding model to be able to develop to scale.

The supply of affordable housing is also critical. We need public and private investment in youth-specific and youth-appropriate social housing. We also need an expansion of innovative solutions around housing in the private rental market.

A real innovation is the social enterprise real estate agency geared to providing housing for the homeless being supported by landlords who want to make a difference.

That’s real market-driven social innovation for you. As are the scaled up social enterprises supporting young people experiencing homelessness gain employment.

In an election year, it shouldn’t be too much to ask our political leaders on both sides to act strategically to improve the national response to homelessness, which if done well will contribute to the Budget bottom line.

The study was done by Associate Professor David MacKenzie, of Swinburne University, Professor Paul Flatau, of the UWA Centre for Social Impact, Professor Adam Steen, of Charles Sturt University, and Dr Monica Thielking, of Swinburne University.