In the late 2000s, conversations between the CEOs of two Melbourne-based non-profits – Tony Nicholson of the Brotherhood of St Laurence (BSL) and Tony Keenan of Hanover Welfare Services 1 – revealed a shared frustration with the inadequacy of services designed to address youth homelessness. Both men thought that a narrow focus on crisis support and accommodation had led to a service system that was ill-equipped to address the reasons why some young people become homeless and why many struggle to escape the cycle of poverty and homelessness. They agreed that a new approach was needed, but it took years for a firm proposal to take shape, and longer still for the opportunity for change to present itself. But in the spring of 2010, with a close state election contest on the horizon, the leadership of both organisations saw a chance to win political support for innovation.

Growing the idea

The idea for a new approach to youth homelessness had fermented for years by the time Nicholson and Keenan developed their proposal for purpose-built student accommodation to be based on the principles of the UK Foyer Federation. There had been Foyers in Australia since the 1990s but none that specifically tied accommodation to participation in education as a precursor to sustainable employment and stable housing.

---

1 In 2015, Hanover merged with HomeGround to form Launch Housing.
The particular emphasis on education came about because of statistics showing the disproportionately low rates of Year 12 completion among young people accessing homelessness services. Data showed that this group often struggled to secure suitable employment and were more likely to be reliant on income support, and therefore locked out of the private rental market. In a labour market with diminishing opportunities and unskilled workers, a low level of educational attainment became both a driver of homelessness, and a barrier to exiting the service system.

Between them, the two CEOs had decades of leadership experience in the homelessness sector. They knew first-hand that the existing service system did not have the capacity to support young people’s educational aspirations. They also knew that clients typically exited crisis accommodation on income support and therefore without the means to sustain private housing.

Staff of the two community service organisations (CSOs) also identified that the homelessness service sector was too focused on mitigating immediate risk, defining service users in terms of their multiple risk factors rather than their aspirations and abilities. They argued for a more ambitious, strengths-based response intended to be more effective than this ‘short-term, crisis-driven’ approach. The group concluded that shelter alone would not enable young people to forge a path out of homelessness and into sustainable employment.

A plan began to coalesce around two goals: getting young people re-engaged with formal education, and providing intensive coaching to help them recognise and develop their capabilities.

Extensive research led Hanover and BSL to the Youth Foyer model widely adopted as an innovative youth homelessness service response in the United Kingdom. Foyers combine accommodation with a tailored program aimed at supporting young people to successfully transition to adulthood. Rather than focusing on participants’ problems, the UK model assumes they have the capacity to engage in education and employment. It also recognises that structural, as much as individual, barriers can constrain these young people’s life chances.

In late 2010, the two community agencies formalised a Memorandum of Understanding outlining their commitment to jointly develop a new program which would adapt the British model for an Australian context: the Education First Youth (EFY) Foyers. The EFY Foyers would recognise homeless young people as students first, offering those who were eligible two years’ student accommodation on technical and further education (TAFE) campuses and giving them access to the resources, particularly the networks, needed to successfully transition to a career.

However, the proposed integration of education and housing posed a challenge for a service system organised into distinct sectors. Responsibility for homeless service provision rested with the Victorian Department of Human Services (DHS), while education was the strict preserve of the Department of Education and Early Childhood Development (DEECD). The existing funding compact between the Commonwealth and state and territory governments, the National Partnership Agreement on Homelessness (NPAH), also seemed unlikely to favour the commissioning of a program designed to

---

4 Technical and Further Education institutes (TAFEs) provide tertiary qualifications, commonly vocational courses at Certificate I-IV or Diploma / Advanced Diploma levels. In Victoria, they are provided by non-government organisations, e.g. Holmesglen and Kangan.
straddle two distinct service sectors. While the NPAH provided funding for core homelessness programs, complementary services were often 'funded in a separate agreement or not funded at all'.

Several Foyers catering to homeless young people already existed in Australia but lacked a special focus on education. They also lacked the deep connections with mainstream education and training providers that were needed to equip young people with the resources needed to make a successful transition into further education and employment.

Here, staff of the two community agencies determined that what they were proposing needed to be qualitatively different. Overcoming the constraints of the existing system would require a different way of working, one that involved partnerships across the service sectors and a departure from conventional commissioning practices. Government leadership was essential, firstly because the resources required to construct and maintain the Foyers were expected to be far in excess of what the CSOs could fund themselves, and also because their effectiveness would depend on Foyers being fully integrated with the TAFE system, necessitating a close working relationship between DHS and DEECD. But the CSOs had yet another reason for securing governmental support that went beyond operational pragmatism: the aspiration to drive a broader shift in the public service towards the commissioning of joined-up social services and paving the way for future policy innovation.

In the lead-up to the 2010 Victorian election, representatives of Hanover and the BSL approached both major state political parties with a costed model for three EFY Foyers. Both parties pledged to support it. The project demanded that government put considerable trust in the capabilities and experience of the two CSOs and their agencies, and called for a significant funding commitment – $30.1 million over three years. It also demanded what one bureaucrat described as a ‘new way of working’. Key to this commitment was the understanding that the two organisations would jointly co-design the service model and lead its evaluation but run only one of the three proposed Foyers.

Following the Coalition’s electoral victory that November, the stage was set for EFY Foyers to be developed and rolled out. However, to realise the idea’s potential the two CSOs were faced with a challenge: how to steer the program through the machinery of government without diluting the innovative elements core to its design?

**Laying the foundations**

The election of Ted Baillieu as Premier of Victoria ended eleven years of Labor rule. When in opposition many in the incoming government, including the new Minister of Housing Wendy Lovell, had been publicly critical of the public service. Now, at the beginning of 2011, the bureaucracy was in turmoil as the new government sought to execute its policy direction.

The Foyer project needed a governance structure that could withstand this tumult and keep the parties working together. In addition to these tensions, the commissioning of the EFY Foyers – part of

---


a package of pre-election promises by the incoming Minister – was viewed by some as a departure from usual procurement practices. To complicate matters further, implementation called for the coordinated effort of two departments as well as two non-government agencies.

It was clear that this project could not be 'business-as-usual'. A new approach was needed. The Minister and her community sector allies faced a dilemma: how to navigate the project through a wary public service. Given the circumstances under which the funding commitment had been made, it was unsurprising that the project would be politised, even though many in the bureaucracy were already on board with the idea of foyers, and under Labor, there had been a pre-existing commitment to build a Foyer near the Holmesglen campus in Moorabbin.\(^7\) Notwithstanding, a political decision was made to head off potential bureaucratic resistance by establishing a taskforce with the authority to override the public sector. While interdepartmental working-groups were common practice, the Inter-Agency Steering Committee (IASC) departed from convention by being directly accountable to the Minister for Housing. Membership included the respective CEOs of the Brotherhood and Hanover, senior-level representation from DHS and DEECD, a representative from the Minister’s office, an independent Chair and assorted industry representatives.\(^8\)

Looking beyond the initial collaboration, the two CSOs anticipated the need to preserve the relationships between the parties over the long term. To this end, they established formal and informal partnerships – including a Heads of Agreement between the BSL and Hanover, DHS, DEECD, and TAFEs; as well as various Memoranda of Understanding.\(^9\) These agreements took months to finalise. Though they have never been invoked, the process of negotiating forced each party to clarify their contribution to the common effort and created a mechanism that could be used to hold them to account.

The inter-agency committee first met in May 2011. It was tasked with overseeing the implementation of the three EFY Foyers\(^10\), a role that included coordinating the effort between the key agencies involved and 'troubleshooting' policy, program, planning and construction problems. To enable it to do so, the Committee was authorised by the Minister to overrule bureaucratic hurdles as judged necessary.

Two multi-sector working groups were created: the Operations Group, which would oversee service development, and the Program Control Group, focused on the design and build of the Foyers. In line with their aspiration to forge cross-sectoral partnerships and overcome the policy siloes within the service system, CSO personnel saw these collaborative governance structures as instrumental to achieving integration among the different players involved.

The project quickly struck a 'roadblock': EFY Foyers were funded by DHS, but were intended to be built on TAFE campuses, which are owned and administered by DEECD. Both departments initially opposed the proposal to build a DHS-owned facility on DEECD land. Staff of the community sector agencies countered that co-location was crucial in order to integrate accommodation and education.

\(^7\) Moorabbin is a south-eastern suburb of Melbourne with a significant industrial presence.
\(^8\) The IASC also included representatives of the Australian Industry Group and the Victorian Employers’ Chamber of Commerce and Industry.
\(^9\) Three-way MoUs were signed between both departments and each of the host TAFEs, and between the BSL and Hanover.
\(^10\) The three sites proposed were the Holmesglen campus at Glen Waverley, the Kangan campus at Broadmeadows and the Shepparton campus of GoTAFE in the Victorian goldfields region.
services. They deemed that opposition to the idea was rooted not so much in its viability, but because it involved a ‘huge shift in the way things are usually done’. The debate over co-location increased tensions between the public service and CSOs, with the latter protesting that the departments’ rigidity put the central innovation of the EFY Foyers at risk. Eventually, the IASC intervened, deeming it in the public interest to overrule the senior public servants responsible. The construction of the EFY Foyers on TAFE land was authorised to proceed.

Building up the model

The project’s distinctive governance structure enabled an unusually close working relationship between the CSOs responsible for service development and the Project Control Group tasked with overseeing the construction of the actual Foyer buildings. At Kangan, this arrangement meant the CSO managers were privy to detailed information about the build and were therefore able to shape the architectural design in a way that reinforced the principles of the Foyer model.

However, the co-design process created a headache for the Project Control Group when it emerged that the CSOs’ vision for the Foyers was at odds with standard DHS specifications for supported accommodation. The CSOs’ cost estimates were based on guidelines for new-build student accommodation at Monash University and were substantially lower. CSO staff insisted that this inconsistency served a purpose: the Foyers were not supposed to resemble supported accommodation. Rather they should match the size of other new-build on-campus student housing and thus minimise the cost to government of the build. The aspiration was that by appearing ‘mainstream’, the Foyers would counter the stigmatising effect associated with homelessness sector facilities and help students feel more included in the TAFE community. Applying their own guidelines, DHS produced costings that showed a significantly higher construction cost which would have made the Foyers unviable. Again, the project was saved when the IASC stepped in to authorise a one-off divergence from standard DHS practice. This meant that the initial budget was in fact accurate and construction of the EFY Foyer at Broadmeadows could proceed.

The community agencies had originally planned to open the Kangan Foyer at Broadmeadows first. Designed and built to reflect the ‘Open Talent’ principles of the EFYF service model (see footnote 14, next page), the Kangan Foyer was to operate as a ‘flagship’ facility that would underscore the difference between the program and other forms of supported accommodation. The CSOs had also identified Holmesglen’s Moorabbin campus as a potential second site as it fulfilled their criteria for location, accessibility to shops and public transport, and student population. 12

However, in December 2012 DEECD announced that a block formerly used to house international students had become available at Holmesglen TAFE in the inner-eastern suburb of Glen Waverley. Keen to accelerate the implementation process, the Minister took the decision to repurpose the Glen Waverley building and refurbish it as a Foyer. This had both benefits and drawbacks. On the one hand, using an existing building had benefits: young people living with chronic housing insecurity would be accommodated sooner, the refurbishment helped the project come in under cost, and government promptly fulfilled one of its election promises. On the other hand, operating a Foyer in a pre-built facility as a tenant of the TAFE meant that the building could not be fully customised to fit

---

11 The DHS guidelines for supported accommodation afforded a more spacious unit size of 25 to 27 m², compared to the less commodious 20 m² provided for university students.
12 Holmesglen operate seven TAFE institutes in Victoria.
with EFY principles, and an anticipated year-long period of co-design with Holmesglen now had to be compressed into six months.

If the built environment of the Foyers grew out of negotiation between the different parties, so too did the initial service models. In September 2011, service development staff from Hanover and the BSL published the first of several documented iterations of the EFY Foyer service model, with significant input from DHS, DEECD and the UK Foyer Foundation. Now referred to as the ‘Funding Model’, the document outlined the essential features of the EFY Foyer program – permanently-staffed student accommodation; a lean staffing model with ‘youth development workers’ replacing professional social workers; a reciprocal agreement between each Foyer and its students (‘the Deal’); and partnerships with local employer networks and community agencies at each Foyer site.

The Funding Model included mandatory student participation in a TAFE course called ‘Developing Independence’ (‘the DI’), which was co-designed specifically for EFYs by the CSOs and TAFEs with input from the Rotary Club of Melbourne and Geelong Grammar School. This intensive process harnessed their complementary expertise: the CSOs put forward high-order concepts (‘Open Talent’ and ‘Advantaged Thinking’); Holmesglen and Kangan TAFEs provided the pedagogical input necessary to translate those concepts into real-world practice. Rotary, through its members’ relationships with local industry, contributed an employer perspective, and staff from Geelong Grammar School shared lessons from their own experience of implementing ‘Advantaged Thinking’ with CSO employees through a series of immersive workshops, including an overnight camp. Again, this form of collaboration was enabled by the project’s unusual governance structure. The community sector managers were keen to enliven government to the potential value of co-design. Though the co-design process sometimes proved arduous – the service development team went through some 40 iterations of the DI – in the end it produced a service model that combined the expertise of both sectors.

**Opening the doors**

By late 2012 the Foyers were edging closer to reality. But first several practical decisions had to be reached through negotiation between the community agencies, government, and TAFEs. The rationale for the EFY Foyer model was that no single organisation or sector possessed the expertise to address a multifaceted social problem like youth homelessness. The Foyers were by design embedded in their respective TAFE institutions, but a pathway to employment was integral to the ambition of the service model. Preparations for the opening of the two Melbourne-based Foyers included leveraging the partnership with Rotary to establish relationships with private sector employers, including Maddocks law firm and Scalzo Food Industries. These connections would provide concrete opportunities for mentoring and internships.

In May 2013, the Holmesglen EFY Foyer opened its doors to students. The need to open sooner than originally planned expedited the process by which potential student were assessed for their motivation to study and preparedness to participate in Foyer. As a result, some young people who were not yet ‘Foyer ready’ were admitted. This would frustrate the implementation of the service.

---

13 ‘Open Talent’ refers to the practice approach pioneered by Colin Falconer of the UK Foyer Federation. Open Talent counters the stigma directed at young people who are not in employment, education or training by sourcing real-world opportunities that help develop their latent capabilities. While the two are easily confused, ‘Advantaged Thinking’ refers specifically to how Open Talent is put into practice through the relationship between student development staff and young people.
model at Holmesglen, a situation made worse by the fact that students leased their room not from DHS, who had the leeway to ‘move on’ tenants breaching their obligations to the Foyer community, but from DEECD who lacked a mandate to evict. As a consequence a proportion of Foyer beds continued to be occupied by young people who were neither enrolled nor actively participating in the EFYF program.

Consistent with the idiosyncratic nature of each facility, they varied in the way they were run day-to-day. Rather than operating the Foyers itself, the BSL acted as a facilitator, a position akin to that of a prime provider or backbone organisation, while also sharing management of the Kangan Foyer with Hanover staff. In this role, the BSL undertook responsibility for two tasks: First to facilitate a community of practice that aimed to assure quality and fidelity to the Foyer model and second to lead the government-funded evaluation of EFYFs that began in 2014. Moreover this division of labour effectively separated the policy and business interests of the Brotherhood, since the BSL had no commercial stake in the implementation of the three Foyers. This separation of roles was viewed by both sides as important in dispelling the perception of ‘rent seeking’ and thus helping establish trust between the public sector and the BSL. This arrangement also allowed the Shepparton EFY Foyer to be delivered by other community service organisations – the Rural Housing Network and Berry Street – who were better positioned than either the BSL or Hanover to use their existing connections to local employers and other services to benefit students.

While the Holmesglen Foyer involved a significant refurbishment, building the Kangan Foyer at Broadmeadows from was a far more complicated process. The influence of Open Talent and Advantaged Thinking extended to the architecture and interior design of the building, which BSL and Hanover staff were adamant needed to signal to the students that they were valued and deserved both creature comforts and pleasant surroundings. Every detail was considered: wall hangings were carefully selected to create a positive ambience; the communal kitchen and lounge areas were to be deliberately inviting and inclusive; soft furnishings and décor were bright and colourful. Most radical of all, there was to be no physical barrier separating the communal student and staff areas, sending an unambiguous message that the young people who lived there were worthy of trust. In all, the objective was to make the Foyer as physically unlike the drab, uninviting and risk-saturated accommodation that the young people would have encountered elsewhere in the homelessness service sector.

Some decisions contravened standard government risk management practices. Departmental guidelines for residential facilities mandated that staff be provided with a secure, segregated area to safeguard their personal belongings and as a safe space to retreat to. However BSL and Hanover staff


15 The first evaluation report ‘Throwing out the Rulebook’ detailing the commissioning of the EFY Foyers was published in 2016 and informs this Case. The second, due for release in late 2017, will evaluate the implementation process to date and report on student outcomes from the Kangan and Holmesglen Foyers from 2013 to the end of 2016.

16 Broadmeadows is located to the north west of Melbourne. Formerly developed to house employees at the nearby Ford factory, the suburb is now beset by high youth unemployment and high levels of social disadvantage.
contended that closing themselves off from the student body would diminish the culture of equality and mutual trust they wanted to cultivate. A compromise was reached in the form of a design that could be converted to a secure area if needed, but without projecting the outward appearance of one.17 Another point of contention was the level of staffing required. The BSL and Hanover argued that a low staff-to-student ratio was integral to the service mode, signalling to the young people that they were not considered dangerous, and reducing the risk of an ‘us and them’ divide. The proposal that a skeleton staff of one stay on alone for the night shift was particularly controversial. In the end the IASC intervened to authorise the ‘leaner’ staffing model, and in June 2014, the second EFY Foyer opened at Kangan TAFE.

Shepparton and beyond

Meanwhile the Liberal and National Parties’ electoral fortunes were unravelling after just one term in office. Polling put Labor ahead for a full 15 months prior to the 2014 Victorian state election18 and on 29 November 2014, the Coalition were defeated 48-52%, returning Labor to power after one term.19 The new government remained committed to EFYs but effectively disbanded the IASC. Relations between the IASC and public service had been tense at times. Yet the committee had proven itself highly effective in driving the implementation process, particularly in enabling collaboration between DHS and DEECD. Moreover, the most novel and distinctive features of the EFY Foyer model might not have been realised had the committee not been authorised to sanction innovation. There remains some speculation about the consequences of its dissolution, with the longer gestation of the Shepparton EFY Foyer attributed in some quarters to a loss of momentum in the absence of a lead committee driving the innovation.

In spite of this hiatus, the third EFY Foyer was opened by the Minister at GOTAFE in Shepparton in June 2016. The initial funding agreement had stated that management of the third facility would be put to an open tender process, and the department selected Berry Street and Rural Housing Network, both of whom had strong links with the TAFE and the local community agencies.

With the Shepparton site came the third iteration of the EFY Foyer service model: the so-called ‘Full Model’, even though the model itself would continue to evolve over time. This latest version was based on practice experience and input from students and was conceived as an important step towards fulfilment of the core principles on which the program was founded. It included a greater emphasis on local community and industry partnerships, a complete, formalised practice framework, and a more developed version of the Developing Independence course.

As of late 2017, the effectiveness of this model was being tested by a five-year longitudinal evaluation. It was examining the implementation of the EFY Foyer and assess the degree of program fidelity at the three sites, as well as reporting on student outcomes. On the basis of a comparison with other similarly situated service-connected young people, the evaluation was expected to demonstrate strong improvements, with EFY Foyer students being significantly more likely to be both securely housed and enrolled in education three months after exit.

---

The impact of policy reform

The CSO’s motivation for developing the EFY Foyers was to disrupt the existing approach to commissioning homelessness services for young people. The idea of establishing specialist student accommodation on TAFE campuses was a response to the failure of a fragmented service system founded on a prescriptive division of responsibility between government agencies and as such, unable to propose a holistic policy response to a complex, multi-faceted social problem like youth homelessness.

In the event the two lead community agencies were successful in fomenting closer working ties between DHHS and DET.20 In 2016 DET contracted the BSL to enable the delivery of the Developing Independence course at TAFEs throughout Victoria, as well as funding a three-stage pilot program adapted from the DI to be delivered to young people in out-of-home care. Though funded by DET, the pilot would involve ongoing coordination with DHHS who retained responsibility for residential care settings.

Both departments were also involved in a EFY Foyer Community of Practice led by staff from the BSL service development team. By late 2016 there was a concern that without a central body to steer it, the program risked drifting off course. A Community of Practice had been proposed as a forum for sharing feedback and discussing practice experience, and also as a vehicle to facilitate coordination and cooperation between the various agencies involved. Once in place, regular attendees included managers from all three Foyers, representatives from DHHS and DET, staff teaching the Developing Independence course and members of the evaluation team.

---

20 Following machinery of government changes in 2015, DHS assumed the Health portfolio and became the Department of Health and Human Services (DHHS), while DEECD became the Department of Education and Training (DET).
Exhibit 1: Pre-election media release

Wendy Lovell MP
Deputy Leader of the Liberal Party (Legislative Council)
Shadow Minister for Children & Early Childhood Development
Shadow Minister for Country Victoria – Shadow Minister for Housing
Manager of Opposition Business (Legislative Council)

Victorian Liberal Nationals Coalition Media Release

Monday 22 November 2010

COALITION’S $34.7M PLAN TO HELP YOUNG PEOPLE WITH HOUSING AND JOBS

A Victorian Liberal Nationals Coalition Government will work with the Brotherhood of St Laurence and Hanover Welfare Services to reduce youth homelessness and increase job opportunities for young Victorians, Shadow Housing Minister Wendy Lovell said today.

The Coalition’s plan commits $34.7 million to invest in three purpose-built 40-unit Youth Foyer accommodation and training facilities, and pilot Work and Learning centres on five public housing sites with the Brotherhood of St Laurence.

The first of the Coalition’s Youth Foyers will be delivered in partnership with the Brotherhood of St Laurence and Hanover Welfare Services.

According to Hanover Welfare Services and the Brotherhood of St Laurence, more than 10 per cent of Victorians aged 15 to 24 years are unemployed, and on any given night almost 4,000 are experiencing homelessness. Of the homeless young people living in Victoria, more than half are not in work, education or training.

“Homeless young Victorians deserve support from Victoria’s next government and the Coalition in government will join two great organisations to tackle youth homelessness head-on,” Ms Lovell said.

“Investing in programs to reduce youth homelessness is an important step towards helping vulnerable young people break the cycle of recurring homelessness.”

The Youth Foyer program will provide $30.1 million over three years to establish three purpose-built Youth Foyers in metropolitan and regional Victoria, to provide training, support and accommodation based on a mutual contract between young people and Foyer management.

About 75 per cent of international Youth Foyer program participants leave the program with full-time work or a place at university, and Foyers will establish links with local TAFE colleges that offer programs tailored to the needs of young people in Foyer locations.

“The Foyer model presents an affordable, secure housing option for young people, providing them with the confidence and security to seek employment and build their life skills and social networks,” Ms Lovell said.

“The Coalition believes helping young people complete education and get a job is the best way to assist them to achieve their full potential.”
The Coalition will also pilot Work and Learning Centres on five public housing sites, in partnership with the Brotherhood of St Laurence.

"The Coalition's plan will provide assistance with housing to help young people get a job and participate in society, reduce disadvantage and help make Victoria a fairer place to live," Ms Lovell said.

“This assistance is focused on helping public housing tenants who tend to have higher levels of disabilities, poorer health, a lower standard of education and fewer employment skills.

"Work and Learning Centres are an innovative way to put economic participation at the heart of service delivery to public housing tenants.

"Co-locating Work and Learning Centres on public housing sites means tenants can easily access the services they need to get a job," Ms Lovell said.

The centres will be the first point of call for new tenants, connect tenants with training to help them find jobs, and link them with Job Services Australia providers, employers, enterprises and industry groups, training organisations and community and government support services.

Media: Wendy Lovell 0419 511 164

www.tedballieu.com.au
Exhibit 2: Education First Youth Foyer governance structure