

Foyer Central Social Impact Bond

Primary impact area:
Social

Impact sector:
Social care and provision of community services/housing & social real estate

Impact category:
Deep Impact

Geographic location of impact:
Sydney, Australia

Date of Investment:
2021

SDG alignment:



"We firmly believe that young people with a care background deserve a stable home with consistent support and mentorship – just like their peers. Young people have told us time and again they want opportunities to create a life for themselves on their own terms. So, we are absolutely delighted to build on the established and highly reputable Foyer model with our partner organisations. We look forward to welcoming the first 53 motivated, resilient young people into Foyer Central and witnessing their achievements and the community they cultivate in the space."

Tracey Burton
Executive Director
Uniting NSW.ACT

Youth homelessness is a significant and growing problem in NSW, where each year over 1,200 young people aged 14-17 leave out-of-home-care (OOHC).

In NSW, young people represent nearly half of all specialist homelessness services clients. Across Australia, approximately 35% of out-of-home care leavers were homeless within 12 months of exiting care.

Young people leaving care are likely to have poor social outcomes which can lead to further disadvantage and perpetuate the cycle of homelessness. The average cost to government of meeting the (modelled) service needs of an OOHC leaver is estimated to be approximately \$500,000 over 20 years.

Through the investment in Foyer Central Social Impact Bond, working capital is provided for the delivery of the Foyer

Central Program. This program will support approximately 272 young people aged 18-22, who are experiencing homelessness or at risk of homelessness upon exiting out-of-home-care. The program aims to build young people's capabilities and transition them to independence and positive fulfilling lives, while addressing the root causes of homelessness.

The program is based on a model that has been deployed successfully in Australia and internationally to address youth homelessness (see Foyer Foundation). This program aims to reduce reliance on welfare, increase lifetime earnings and reduce the utilisation of other government services. The Foyer Central model is grounded in the concept of 'Advantaged Thinking'. Advantaged Thinking is focused on identifying, developing and, most importantly, investing in the skills, capabilities and assets of young people so

that they can enjoy good lives.

Located in Chippendale in NSW, Foyer Central is a purpose-built development of quality studio units with extensive communal living. It provides easy access to several public tertiary education facilities (Sydney University, University of Technology Sydney and TAFE NSW in Ultimo). It is also well located for employment opportunities and emerging job opportunities, with social support structures and services for young people.

Foyer Central is delivered by Uniting in partnership with St George Community Housing, drawing on their collective experience supporting vulnerable young people and providing social and affordable housing.

Young people will spend up to two years living in Foyer Central, with on-site and dedicated Youth Development Coaches

supporting their transition to stable long-term accommodation. Support is provided to assist in developing life skills and encouraging participation in vocational education and training, mentoring, as well as civic participation.

Foyer also provides employment assistance and tailored support to help address health issues. Young people are supported to develop the knowledge and skills needed to maintain good physical, emotional and psychological health, as well as social connection skills to develop thriving relationships.

Results focussed

Through this social impact bond, investors provide financing towards the program and are repaid based on the successful achievement of the agreed social

performance outcomes. This aligns the interests of the young people in the program, the service providers, investors, and government to generate measurable positive changes.

The program's performance will be determined based on a combination of positive and negative outcomes that reflect the elements that contribute to a young person's transition to independence.

For Foyer Central, the target performance is 60% of participants (or approximately 163 young people) achieving a successful outcome after completing their tenancy.

A successful outcome means that a young person in Foyer Central sustains independent housing, employment and/or engagement in education in the 12 months following the end of their tenancy at Foyer Central. During that time, the young person

must have also avoided incarceration, usage of homelessness services or social housing and having a child enter out-of-home care.

Social impact bonds enable service providers to enter into outcomes-based or payment-by-results contracts, which give service providers the opportunity to innovate and deliver new evidence-based services. These types of contracts can then also inform future government services.

Foyer Central is a showcasing large-scale approach and using the Foyer model to address short- and long-term youth homelessness. This is building the evidence base in Australia, alongside the immediate positive opportunity for the young people involved.

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Through Premiums4Good, we invest customers' premiums into investments that have additional social or environmental benefits at no extra cost to the customer.

These investments include social impact bonds, social bonds, green bonds and infrastructure, supporting a range of projects and programs that seek to create change.

From renewable energy initiatives and sustainable infrastructure, to social services and programs to support vulnerable people and communities - Premiums4Good helps us, together with our customers and partners, make a difference.