Final Report

Peer Reviewed

The cost of homelessness and the net benefit of homelessness programs: a national study

authored by

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for the

Australian Housing and Urban Research Institute

at University of Western Australia

December 2013

AHURI Final Report No. 218

ISSN: 1834-7223

ISBN: 978-1-922075-47-5

AHURI

Australian Housing and Urban Research Institute

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Title	The cost of homelessness and the net benefit of homelessness programs: a national study	
ISBN	978-1-922075-47-5	
Format	PDF	
Key words	Homelessness, homelessness program	
Editor	Anne Badenhorst	AHURI National Office
Publisher	Australian Housing and Urban Research Institute Melbourne, Australia	
Series	AHURI Final Report; no. 218	
ISSN	1834-7223	
Preferred citation	Zaretzky, K. and Flatau, P. (2013) *The cost of homelessness and the net benefit of homelessness programs: a national study*, AHURI Final Report No. 218. Melbourne: Australian Housing and Urban Research Institute.	

ACKNOWLEDGEMENTS

This material was produced with funding from the Australian Government and the Australian state and territory governments. AHURI Limited gratefully acknowledges the financial and other support it has received from these governments, without which this work would not have been possible.

AHURI comprises a network of universities clustered into Research Centres across Australia. Research Centre contributions, both financial and in-kind, have made the completion of this report possible.

The research team would like to thank the following people from non-government organisations, government departments and peak bodies for their contribution and active involvement in the project: Maureen Flynn, Greg Cash, Jacquie Herring, Terry Mountford, Roza Cvetkoska, Hilary MacWilliams, Helen Miskall, Liz Schafers, Marcus Devendish, Maura Boland, Christine Foran, Sharon Gudu, Samantha Nygen, Carol Pereira-Crouch, Miriam Segon, Rosie Balog, Ronald Aspin, Rosanna Nash, Adam Harrison, Craig Hirte, Nancy Rogers, Cathy Burgess, Nina Crossland, Kevin Seah, Sophie Dight, Kevin Hecker, Beppy Golan, Karoline Jamieson, Kay Elson, Anne Moore, Maria Berry, Leslie Butt, Scott Pilgrim, Elkie Neilson, Vivien Keeley, Lisa Summut, Amanda Alexander, Glenn Beatty, Joe Gannon, Sally Karklis, Sylvia Grant, and everybody who assisted with the Agency Survey and with administering the Baseline surveys.

We would like to thank Alicia Bauskis for assisting with organisation of the Client Surveys and for her contribution with data analysis and compiling material for Chapter 3; Bridget Spicer for organising the interviewing team in NSW, Victoria and South Australia; Rachael Brand who did much of the data input; and the interview team who conducted the Follow-up Client Surveys. The authors would also like to acknowledge comments from anonymous referees.

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ACRONYMS

AIHW	Australian Institute of Health and Welfare
CAP	Crisis Accommodation Program
DCPFS	Department for Child Protection and Family Support (WA)
CSHA	Commonwealth State Housing Agreement
DCSI	Department for Communities and Social Inclusion (SA)
DHS	Department of Human Services (Vic)
DoH	Department of Housing (WA)
DSP	Disability Support Pension
HIP	Homelessness Intervention Project (NSW)
HIT	Homelessness Intervention Team (NSW)
HOME Advice	Household Organisational Management Expenses Advice program
HSS	Housing Support Services
HUGS	Hardship Utilities Grant Scheme (WA)
GP	General Medical Practitioner
IART	Intervention in At-Risk Tenancies (Vic)
ITS	Intensive Tenancy Support (SA)
NAHA	National Affordable Housing Agreement
NDC	National Data Collection
NDCA	National Data Collection Agency
NPAH	National Partnership Agreement on Homelessness
NSW	New South Wales
PHIP	Public Housing Infrastructure Program (Vic)
RoGS	Report on Government Services
SA	South Australia
SAAP	Supported Accommodation Assistance Program
SHAP	Supported Housing Assistance Program (WA)
SHASP	Social Housing Advocacy and Support Program (Vic)
SHS	Specialist Homelessness Services
THM	Transitional Housing Management (Vic)
Vic	Victoria
WA	Western Australia

EXECUTIVE SUMMARY

Objectives and method

Specialist Homelessness Services (SHS) aim to assist people who are homeless, or at risk of homelessness, to access and maintain stable and secure accommodation. Integral in achieving these outcomes, they aim also to assist clients to become self-reliant and independent, improve health and well-being outcomes and to re-establish positive social connections and employment participation. Indicators of the extent to which these objectives are achieved include housing status, income and workforce status. Since commencement of the National Affordable Housing Agreement and the National Partnership Agreement on Homelessness increased emphasis has been placed on establishing the extent to which these objectives are met. This study examines this issue; and the cost and associated benefits to government of providing these services. It reports on outcomes for clients of specified homelessness prevention and assistance programs who accessed support between October 2010 and May 2011. Programs examined in the study operate in inner city and metropolitan and major regional centres in New South Wales (NSW), Victoria (Vic), South Australia (SA) and Western Australia (WA) over the period 2010 to 2012. They include:

- Supported accommodation programs for single men ('single men').
- Supported accommodation programs for single women, including women escaping domestic/family violence ('single women').
- Tenancy support programs for persons at risk of losing an existing tenancy.
- Street-to-home programs.

Section 2.2 provides an explanation of the above programs and supports.

This study examines both the benefits that accrue to the individual from improved outcomes, and the benefits that accrue to government when a period of homelessness support results in reduced use of non-homelessness services (e.g. health, justice and welfare services) and therefore budgetary savings. The findings are presented in this current report and in the AHURI Baseline Report (Zaretzky et al. 2013), which reports on the findings of the Baseline Survey as the first wave of the Client Survey.

Method

Two surveys were conducted: a longitudinal Client Survey, comprising a Baseline and Follow-up survey of clients of homelessness services; and an Agency Survey of agencies and associated services delivering homelessness programs whose clients participated in the Baseline Survey. Information around client circumstances and outcomes prior to and post a period of homelessness support was collected via the longitudinal Client Survey (n=204). The Baseline Survey was administered with clients soon after commencement of their support period. It focused on respondents' circumstances in the 12 months prior to commencement of their current period of homelessness support and was administered, in the main, by a staff member of the relevant service (frequently their case worker). The Follow-up Survey was conducted with respondents to the Baseline Survey 12 months after their completion of that survey, and had a follow-up rate of 30 per cent (n=61). The Baseline Survey sample for supported accommodation and tenancy support programs was sufficiently large to be representative of persons accessing these service types. The street-to-home sample, however, was very small and the results are provided for completeness of information only.

The Agency Survey provided for a bottom-up estimate of the costs of the specialist homelessness services accessed by their clients at the time the Baseline Survey was administered. Information in the public domain and unpublished government data were used to provide top-down cost estimates of homelessness services and programs, and associated non-homelessness service use, for participating agencies and services across the four states and in Australia.

For the most part, the characteristics of Baseline Survey respondents who also participated in the Follow-up Survey were not materially different to those who did not participate in that survey. However, when interpreting the results, emphasis should be placed on the direction and relative magnitude of findings, rather than on the numbers themselves. Additionally, issues with contacting respondents for the Follow-up Survey potentially create bias. For example, respondents with a more secure housing situation will be more easily located for a follow-up survey than respondents who are transient or sleeping 'rough'.

Issues examined

Baseline Survey results were examined in the first report associated with this study, referred to as the AHURI Baseline Report (Zaretzky et al. 2013). This report showed clients of specialist homelessness services to be heavy users of non-homelessness services such as health, justice and welfare services compared with the Australian population on average, with respondents whose housing careers included a period of public housing in the past year (other then tenancy support clients) having a high probability of experiencing an eviction event. This study contends that if the use of these non-homelessness services could be reduced to average Australian population levels, this could result in large savings to government (estimated at $29 450 per client/year at 2010–11 levels) and provide an offset to the cost of homelessness support. While the characteristics of clients of homelessness services, such as high prevalence of mental health issues and low educational attainment, suggest that it is unlikely that these potential 'population' offsets would be realised in full, we suggest that if even a small proportion of these offsets could be realised on an ongoing basis, homelessness programs could potentially be cost neutral.

This report, referred to as the Final Report, interrogates these issues further. Baseline and Follow-up survey results are compared to examine outcomes of a period of homelessness support including the extent to which savings in non-homelessness costs are realised in the short to medium term and the net cost of homelessness support. This report thus examines:

- Changes in client outcomes associated with SHS.
- The average change in client use of non-homelessness services that can be linked to the period of homelessness support (a decrease in non-homelessness service costs is referred to as a 'cost offset').
- The distribution of health and justice costs incurred by clients of homelessness programs and the change in these costs (this provides important new information on service use for the 'typical' client and for heavy users, compared with the average).
- The cost to government of specialist homelessness services, including recurrent and non-recurrent expenditure.
- The whole of government (net) cost of specialist homelessness services, defined as the cost of the specialist homelessness services plus the change in cost to government of non-homelessness services.

The non-homelessness services examined in this report are health and justice, welfare payments and the cost of eviction from public housing. The incidence of children being placed in care due to unstable accommodation is examined in the Baseline Report, but is not examined further. We believe a dedicated family homelessness study is required to examine the costs associated with out-of-home care.

Findings

Change in client outcomes

The objective of specialist homelessness services is to assist vulnerable homeless and at-risk of homelessness persons to achieve improved outcomes of both a housing and non-housing nature. Changes in respondent outcomes reported in this study suggest this is being achieved across a range of areas.

Overall, 81.0 per cent of respondents to the Follow-up Survey considered that the period of accommodation support received at the time of the Baseline Survey was very important, and a further 13.8 per cent considered it important. Differences in outcomes were observed between the client cohorts, but overall evidence suggests positive benefits associated with homelessness support reaching beyond the provision of accommodation. Positive changes in outcomes included: more stable accommodation; general improvement in access to health services, in particular nurse, allied and mental health services; improved access to a stable income source with a small improvement in employment outcomes; improved social relationships; and a general improvement in overall satisfaction with life.

The only area where all client cohorts reported minimal change at the point of the Follow-up Survey, relative to circumstances reported at the point of the Baseline Survey, was in relation to employment and financial circumstances. At the time of the Follow-up Survey most respondents still relied on welfare payments as their main income source; a large proportion still reported accommodation related problems associated with a lack of money; and only 40 per cent reported feeling better about their financial situation compared to their situation prior to the support. The lack of improvement in financial circumstance results in continued housing vulnerability and must become a point of greater focus for homelessness strategies in the future.

Change in mean cost of non-homelessness services and associated government savings or cost

Realised change in non-homelessness service cost: pre and post support

The AHURI Baseline Report showed a potential for large government savings (cost offsets) if homelessness support results in reduced use of non-homelessness services. The extent to which these offsets are realised is examined in this Final Report through comparison of client use of non-homelessness services in the 12 months prior to the Baseline Survey (and period of homelessness support), and in the subsequent 12 months.

Change in average (mean) cost of non-homelessness service use—all programs

The average cost to government of health and justice services and net welfare payments was lower in the 12 months after the Baseline Survey than in the 12 months prior to the commencement of homelessness support. On average, the potential savings to government (cost offset) from the change in use of these non-homelessness services by clients of single men's, single women's and tenancy support services was estimated at $3685/client/year (see Table 1).

Cost offsets were not estimated for street-to-home clients due to the very small sample size. An eviction related cost-offset was not able to be directly estimated, but evidence suggests that support results in a reduced probability of eviction from a public tenancy, resulting in a saving of just over $600/client for clients of single men's services and single women's services, respectively.

Change in average (mean) cost of non-homelessness service use—by cohort

Although a positive offset was observed on average, the extent to which potential offsets were realised in the short to medium term was dependent upon the non-homelessness service examined and support type. In some instances an increase was observed (see Table 1).

- *Single men's services*—reported a reduction in non-homelessness costs of $1389 on average per client driven by a large reduction in the cost of justice services of $6447/client. In contrast, health costs were higher in the latter period (by $4640/client), with a small increase in net welfare payments.
- *Single women's services*—identified a large reduction in average non-homelessness costs of $8920/client. This was largely driven by a large decrease in health costs of $9295/client. Small increases were observed in average justice and net welfare costs.
- *Tenancy support clients*—the use and associated cost of non-homelessness services increased by $1934/client in the period after support. Justice costs were lower (by $1540/client) but this was more than offset by an increase in health costs of $3448/client, and a small increase in net welfare payments. It should be noted that tenancy support clients also reported that of their total health costs in the follow-up period, $3534/client was incurred as part of their homelessness support plan (compared with none in the baseline period). Thus, the high cost of health services is, at least in part, associated with appropriate use of these services to meet the needs of this client group, and as such should be considered to be an integrated part of the cost of providing homelessness support. In short, health needs are being met where previously they were not.

The small increase in net welfare payments observed for all cohorts was in spite of a small improvement in employment outcomes. This result was driven largely by fewer people reporting a period of no income in the period following the Baseline survey, and by periods of no income being shorter, on average. Thus, the slight increase in net welfare payments reflects more stable access to a main income source: a positive outcome. However, this outcome is achieved by improved access to government benefits, rather than by a significant improvement in employment prospects.

Non-homelessness service costs of the 'typical' client

The high average change in non-homelessness costs was driven by a small number of clients with high use of high-cost institutional-based health and justice services, such as hospital visits, time in mental health facilities and time in prison. Although real, they do not necessarily reflect the costs incurred by the 'typical' client. This issue is addressed first by looking at median costs; then by examining the distribution of health and justice costs.

Median health and justice costs

The median non-homelessness service cost was considerably lower than the average (mean), as many clients of non-homelessness services had very little contact with health and justice services prior to support. When considering the change in costs after support, the median change in health service cost across the three cohorts was actually an increase of $241/client, compared with an average (mean) decrease of

$1559/client. Hence, an increase in health costs was observed for at least half of all respondents. Single women were the only cohort where a decrease in health costs was observed when considering both the mean (-$9295) and the median (-$3345) change, showing that a reasonably large decrease in health costs was observed for at least half of the respondents of single women's services. The median change in justice costs for justice services overall and for single women was zero. For single men the median change was a small decrease in justice costs of $451/client; for tenancy support it was a small increase of $156/client.

Table 1: Total offsets, by support type, 2010–11

	Single men ($)	Single women ($)	Tenancy support ($)	Total
Health (mean)	4,640	-9,295	3,448	-1,559
Justice (mean)	-6,447	146	-1,540	-2,397
Net welfare payments	418	229	26	271
Total offsets	-1,389	-8,920	1,934	-3,685
Sensitivity analysis—median health and justice offsets				
Health (median)	1,122	-3,345	2,189	241
Justice (median)	-451	0	156	0
Net welfare payments	418	229	26	271
Total offsets (median)	1,089	-3,116	2,371	512

Note: A negative figure represents a reduction in costs to government and, therefore, a saving to outlays. A positive figure represents additional costs to government.

Distribution of health costs

Examination of the distribution of health costs shows that prior to the period of homelessness support a large proportion of respondents incurred very low health costs. Approximately 40 per cent of both single men and tenancy support clients, and 22 per cent of clients of single women's services, had health costs of less than $1000 per annum. The large average costs are driven by a comparatively small number of people with high use of high-cost services. For example, two single women reported baseline health cost of between $70 000 and $100 000/year.

In the follow-up period, the proportion of respondents who reported very low health costs reduced markedly, with just 5 per cent of single men and no tenancy support clients reporting costs of less than $1000/year. Rather, 65 per cent of single men and 70 per cent of tenancy support clients reported health costs of between $1000 and $10 000/year. Thus, for these two cohorts there appears to be a general increase in health costs for people who had previously had comparatively little contact. Conversely, there was an increase in the proportion of respondents reporting low health costs for clients of single women's services, with nearly half of these women reporting health costs of less than $2000/year in the latter period, and no respondents reporting the extremely high costs observed in the baseline period.

Distribution of justice costs

Justice costs also show high costs being driven by a small number of people, with approximately 35 per cent of single men, 45 per cent of single women and 33 per cent of tenancy support clients reporting no contact with justice services in the baseline period and similar findings in the follow-up period. In fact, for many justice services the

median number of contacts was zero, with only one or two respondents driving the mean result.

The large decrease in mean justice costs for single men was largely driven by a single respondent who spent 270 nights in prison in the baseline period, and only 14 nights in the follow-up period. For single women little change was observed in the distribution of the cost of justice contacts from the baseline to follow-up periods. For tenancy support clients, although 25 per cent of clients still reported no justice contacts in the follow-up period, there was an increase in the proportion of respondents reporting justice costs of between $1000 and $10 000/year. The decrease in mean justice costs for this cohort was driven by a decrease in the proportion of respondents reporting justice costs of greater than $10 000/year.

Health and justice costs—implications

The key insight to be drawn from an analysis of the distribution of health and justice costs is that the cohort of clients of homelessness services is very diverse in terms of their government cost impact, and that sensitivity of mean cost estimates to outliers and to sample selection is all important. This emphasises the importance of viewing the findings from this and similar research in terms of the relative magnitude of costs and the direction of change in costs, rather than as point estimates.

Cost of delivering specialist homelessness programs

The cost of delivering homelessness support was examined using a top-down method with reference to data in the public domain and unpublished government data, and a bottom-up approach using primary data collected via the Agency Survey.

Top-down estimate of government program cost

Recurrent program funding represents the most objective estimate of cost. For supported accommodation programs, this was estimated at $3022/client using the top-down approach. For tenancy support programs the average recurrent funding/client across the participating states was $1970/client; for street-to-home programs in participating states it was $6425/ client (including street outreach and housed services).

Recurrent funding is a conservative measure of cost. Once the opportunity cost of capital employed in providing client accommodation was included for supported accommodation programs the cost was estimated at $4653/client. In addition, governments incur departmental costs in administering programs and in managing and maintaining client accommodation. An indicative cost estimate was made of around $240/client for supported accommodation clients, and $60/client for tenancy support, giving total recurrent and opportunity cost of $4890/client for supported accommodation programs and $2017/client for tenancy support.

Bottom-up estimate of program costs: participating agencies and services

The bottom-up estimate of program costs provides the average cost of providing the homelessness services accessed by clients at the point of the Baseline Survey. It also examines the proportion of SHS cost that is government funded.

Tenancy support and street-to-home services reported that all income was sourced from government funding. In contrast, participating supported accommodation services reported that, in addition to government funding, they obtained income from sources such as donations, grants and client rent. On average, recurrent government funding accounted for 77.8 per cent of income used to provide these homelessness

services. The majority of the non-government income related to the single men's services.

Capital investment in client accommodation was funded in part by the agencies delivering the homelessness services with some properties owned outright by the agencies and some financed via a joint venture with government or other similar arrangement. Overall, only 58.0 per cent of capital invested in client accommodation used by these services was financed by government. Again the majority of non-government funded accommodation related to single men's services. Thus, the cost to government of supported accommodation services was markedly less that the total support cost, particularly for single men. It is not possible to say how representative these findings are of the government/non-government funding mix across all supported accommodation services.

When considering the total cost/client for these participating services, all reported a higher cost than was obtained using government funding data. The cost of supported accommodation services was estimated at $5957/client, including opportunity cost of capital; tenancy support at $2600 per client; and street-to-home at $10 156 per client, including opportunity cost of capital or $7636/client if considering recurrent funding only. The government cost for supported accommodation services was lower than the state average once adjusting for the proportion of non-government funding, at $4077/client including opportunity cost of capital.

Whole of government cost of specialist homelessness programs

Current government policy focuses on providing an integrated package of support to prevent homelessness. However, programs are still largely funded individually and it is difficult to ascertain the total cost of providing homelessness support. We provide some insight by estimating the whole of government cost of supported accommodation and tenancy support programs, defined as the homelessness program cost plus the change in cost of non-homelessness services examined. To the extent that a decrease in the government cost of these non-homelessness services is found, this represents a potential offset to the cost of homelessness support. Where non-homelessness costs associated with addressing issues affecting probability of maintaining a tenancy increase after a period of support, this should be viewed as an appropriate use of services and part of the total cost of supporting individuals to achieve more stable accommodation outcomes.

Homelessness program cost net of mean change in non-homelessness service cost

The base case estimate of whole of government cost of homelessness support (see Table 2) refers to the state average cost of providing services and the mean value of cost offsets. Considering both recurrent and capital cost (based on 2010–11 figures):

- *Single men's services*—program cost is offset in part by an average reduction in health and justice costs. The whole of government cost is estimated at $3501 per client/year.
- *Single women's services*—program cost is more than offset by savings associated with reduced use of non-homelessness services, resulting in an estimated net saving to government of $4030 per client/year from assisting single women including women (with or without children) escaping domestic/family violence.
- *Tenancy support services*—higher average non-homelessness service costs were reported after the baseline period of support commenced. This largely related to

higher health costs that, at least in part, were part of respondents' homelessness support plans. The whole of government cost for this cohort is estimated at $3961/client/year.

Table 2: Homelessness programs: government cost/client (states) net of change in cost of non-homelessness services (2010–11)

	Supported accommodation	Tenancy support
Government program cost/client ($)		
Recurrent program funding	3,022	1,970
Recurrent program funding, indirect recurrent cost* plus opportunity cost of capital	4,890	2,027
Change in cost of non-homelessness services—Cost offset/client ($)		

	Supported accommodation		
	Single men's	Single women's	Tenancy support
Mean change—health justice and net welfare payments	-1,389	-8,920	1,934
Government program cost/client, net of mean change in cost of non-homelessness services ($)			
Net direct recurrent program cost	1,633	-5,898	3,904
Net direct and indirect recurrent cost* plus opportunity cost of capital	3,501	-4,030	3,961

* Indirect costs include government administration costs and costs of property maintenance and management.

Sensitivity of whole of government cost estimate to estimated value of cost offsets

As with the cost offsets, the estimated whole of government cost is sensitive to sample selection and the method used to estimate the value of offsets.

- *Single women's services*—a positive cost offset is observed for all scenarios. Even when considering the median change in non-homelessness service cost, the whole of government cost (recurrent) still represents a net savings to government of $94/client. When all costs, including opportunity cost of capital and administration costs, are considered the whole of government cost is estimated at $1774/client.
- *Single men's services*—a cost offset is observed only when considering the mean change in the cost of non-homelessness programs. The median change in non-homelessness service cost is an increase and the whole of government cost (recurrent) is $4111/client, or $5979 when considering all costs.
- *Tenancy support services*—an increase in non-homelessness costs is observed for all scenarios. Considering median offsets and recurrent funding the whole of government cost/client is estimated as $4398.

Policy implications and future research opportunities

There are some important policy and research implications of our findings.

One year on from entry to support, clients of specialist homelessness services reported improvements across a broad range of domains from housing to better mental health outcomes and overall quality of life. Specialist homelessness services were having a positive impact on those they serve.

Clients of homelessness services are transitioning from homelessness to housing and experiencing richer lives. However, more can be achieved with respect to employment options given the low reported rate of transition to employment. A focus on the achievement of jobs for homeless people should be a major focus of future homelessness policy.

The economic evaluation of homelessness support programs undertaken in the present study is a partial evaluation. It focuses only on the direct cost of service provision and on associated cost offsets. We have not sought to place a dollar value on the direct benefits of service provision, although it is certainly true that some of the benefit is captured indirectly in our cost offsets measure. The direct valuation of benefits from service provision to clients and the community, including those for which no direct market values are available (e.g. those revolving around improved self-reported quality of life outcomes), represents the key gap in research on homelessness to date.

Specialist homelessness services are generating net cost savings to government but impacts differ by cohort. There is a very uneven distribution of the costs of homelessness and the direct cost savings generated from intervention. Moreover, for some clients who previously lacked appropriate access to health care, health costs rise, rather than fall, in the short term. As this health care starts to take effect longer term health costs are likely to fall.

Against this backdrop, policy-makers and practitioners alike must be careful not to fall into the trap of espousing the simple story that homelessness interventions are immediately highly cost effective for all clients, producing very large cost savings across the board. Many clients of homelessness services are not generating major costs to government and successful interventions do not produce large cost savings for all clients in the short term. Nevertheless, on the whole, net savings are being generated even in the short term and good outcomes for the vast majority of clients are being experienced. This more measured position represents the economic case for homelessness interventions.

Our research has utilised self-report client data to generate results on cost offsets and client outcomes. We do not have a clear control group against which differential costs and benefits can be assessed. In this context, we can see benefits to the use of linked unit record administrative data sets. The recently completed pilot data linkage project across child protection, homelessness and criminal justice services (AIHW 2008, 2012) has demonstrated that linking such collections is feasible. The richest linked administrative available in any jurisdiction is the WA linked administrative data which includes administrative data from a large range of WA health and other unit record data sets including the state's Drug and Alcohol Office, Department of Corrective Services and Department of Education. The WA data linkage system has the capacity to link other external data sets (e.g. homelessness and housing tenancy data), using a process that de-identifies the data once linked to ensure an individual's privacy. It remains the first port of call for future research seeking to use linked administrative data to examine the relationship between homelessness and other government service systems.

1 INTRODUCTION

Specialist homelessness services aim to assist people who are experiencing homelessness, or are at risk of experiencing homelessness, to access and maintain stable and secure accommodation. In addition to stable housing, important desired outcomes from homelessness service provision include: client achievement of self-reliance and independence; improved health and well-being outcomes; the reestablishment of positive social connections; and improved financial stability including increased employment. Characteristics that may indicate whether clients can live independently of formal housing supports include: income, housing status and workforce status (SCRGSP 2012). Many of the problems and barriers to self-reliance are not overcome by quick and easy solutions and services may need to put long-term resources into client support to achieve good outcomes (Eardley et al. 2008).

Since the Australian Government's White Paper on homelessness (FaHCSIA 2008), and commencement both of the National Affordable Housing Agreement (NAHA) and National Partnership Agreement on Homelessness (NPAH), there has been increased emphasis on establishing the extent to which government funded specialist homelessness programs are cost effective and meet their objectives. The White Paper specifies as research priorities population-based research, cost–benefit analysis and analysis of effectiveness of interventions, as well as the integration of homelessness and mainstream information technology systems to facilitate reporting. The potential benefits of specialist homelessness services accrue to both the individual seeking support through improved outcomes and to society as a whole through a more stable community environment. They can also accrue to government where a positive change in outcomes for persons accessing homelessness services results in a reduction in their use of non-homelessness services, such as health, welfare and justice services. This study examines these issues for a range of specialist homelessness programs delivered under the NAHA and NPAH in NSW, Victoria, South Australia and Western Australia. It reports on outcomes for clients of specified homelessness prevention and assistance programs who accessed support between October 2010 and May 2011. Initial study findings were presented in Zaretzky et al. 2013, and are further examined in this report.

This national study on the cost of homelessness and net benefit of homelessness programs builds on a West Australian study (see Flatau et al. 2008; Flatau & Zaretzky 2008; Zaretzky & Flatau 2008, Zaretzky et al. 2008), extending the range of programs examined in that study to include initiatives introduced with the NPAH and programs operating in states outside of Western Australia (noted above). Intervention points examined are: supported accommodation services for single men and for single women; tenancy support for persons at risk of losing a public or private tenancy; street-to-home programs; and a small sample of day centre clients. It was also possible to obtain primary outcome data for a larger sample of clients of homelessness programs than the earlier study, enabling a more extensive analysis of the manner in which short- to medium-term client outcomes change after a period of homelessness support.

Primary data were additionally collected on clients' use of non-homelessness services, such as health, justice and welfare services; on children being placed in care due to unstable accommodation circumstances; and on instances of eviction from public and community housing before and after commencement of a period of homelessness support. This information was used to determine the change in outcomes for these clients and the mean change in the cost to government of non-homelessness services after a period of homelessness support, and subsequently to

determine whether this represents a cost offset to homelessness programs. Importantly, this report also provides new insights into the distribution of the government cost of health and justice services used by each respondent cohort and the distribution of the change in these costs.

It should be noted that the changes in outcomes and cost of non-homelessness services reported here relate to short- to medium-term outcomes, and not long-term outcomes. Further research using longer-term longitudinal surveys and linked administrative data is required to examine longer-term outcomes. It should also be noted that outcomes for all services are limited by the level of support able to be provided as opposed to the ideal. For example, studies often note that the lack of access to suitable affordable housing mitigate a program's capacity to provide the level of outcomes desired (ARTD 2010; FaHCSIA 2012b).

Services are typically funded by a mix of government funding and income from sources such as grants, donations and client rent. The study examined issues of cost-effectiveness (both for service providers and government) and the whole of government cost of providing homelessness support including administrative and other supports.

The cost of providing specialist homelessness services is examined at a number of levels. Recurrent funding for these programs is the most frequently published and cited cost element. Information regarding recurrent government funding was obtained from a range of published sources and unpublished data provided by government departments. However, government funding only represents part of the total cost of providing homelessness support. In addition to recurrent funding, many services supplement government funding with additional income from sources such as grants, donations and client rent. Primary data were collected from services delivering specialist homelessness services to examine the extent to which additional income was used to supplement government funding and the level of recurrent expenditure per client. The study additionally examined the estimated value and opportunity cost of capital employed in the provision of client accommodation (where applicable) and this was added to the recurrent cost of providing support. Finally, we examine issues such as government administration costs of programs and other costs associated with providing support.

Research shows that persons who access specialist homelessness services, on average, report much higher use of non-homelessness services, such as health, justice and welfare. There is also a growing body of evidence that homelessness support programs provide positive outcomes for clients. As a person's outcomes change as a result of homelessness support, there is the potential for their use of non-homelessness services also to change. In some instances this cost will decrease. For example, a number of studies have demonstrated that chronically homeless people will frequently access high-cost hospital-based health services prior to receiving support, but with supported accommodation this use decreases and they transition to lower cost health services such as general medical practitioners (GPs), community based health services and/or allied health (see e.g. Culhane et al. 2002; Corporation for Supportive Housing 2004; Perlman & Parvensky 2006; Social Policy Research Centre 2007). However, there exists also the potential for service use to increase. For example, the management of a previously undiagnosed mental health issue which impacts on an individual's ability to maintain stable accommodation may result in increased health costs associated with the intervention and ongoing supports.

To address this issue, the study also examined the whole of government cost of specialist homelessness services: defined to include the cost to government of the homelessness program plus or minus the variation in government costs arising when

the use of non-homelessness services by the program's clients changed as a result of their receiving homelessness support. Where the government cost of non-homelessness services increases, it adds to the whole of government cost of assisting people to maintain and sustain stable accommodation. Conversely, a decrease in non-homelessness costs represents a cost offset and reduces the whole of government burden and cost of homelessness support.

Much of the international and Australian research into the relation between homelessness support and change in use of non-homelessness services focuses on supported accommodation services that target persons who are chronically homeless with complex mental health issues, disabilities and/or drug and alcohol problems (e.g. Culhane et al. 2002; Corporation for Supportive Housing 2004; Perlman & Parvensky 2006; Social Policy Research Centre 2007). These studies show that the cost of supported accommodation programs is typically either partly or completely offset by potential savings to government resulting from a reduction in the use of high-cost hospital services and drug and alcohol services by clients when they are living in stable supported accommodation. Sullivan et al. (in Culhane 2008) argues that the large decrease in the cost of non-homelessness services observed in these studies is specific to the sub-sample of the homeless population examined and may not be representative of the broader homeless population.

Eberly et al. (2001) provided an estimate of government costs incurred for a small sample of 15 people in British Columbia: 10 homeless and five who were previously homeless and had been in a supported housing environment for at least three years. They found that while the total cost of health, justice and social services was 33 per cent greater for those who were homeless, this was driven by higher justice costs ($11 410 per year for those who were homeless compared with $1850 per year for those who were housed), and that the cost of health services and social services was greater on average for individuals who were housed. For example, the health service costs incurred by housed individuals were nearly 50 per cent higher than for those who were homeless, and some homeless individuals made very little use of and actively avoided the system. They also reported that the cost to government for people who were homeless covered a much greater range: between $4000 and $80 000 per person/year for people who were homeless, compared with $12 000 to $27 000 per person/year for people who were housed. While this was a very small sample, it does provide evidence of the heterogeneous nature of service use by persons at risk of homelessness.

More recently Poulin et al. (2010) found that for a broad population of chronically homeless persons in Philadelphia the high cost of service use was largely driven by persons who had serious mental health issues. They examined the cost of psychiatric care, substance abuse treatment and incarceration and found that 20 per cent of the sample accounted for 60 per cent of the cost. Eighty-one per cent of the people in this high-cost quintile had a diagnosis of a serious mental illness and most of the cost was for psychiatric care and incarceration. In contrast, 83 per cent of the people in the lowest cost quintile had substance abuse issues and no recent history of mental illness, and these people used very few services. It should be noted that the study sample was predominantly single men, and that the range of services examined was comparatively narrow. For example, it did not include general hospital admissions or contact with police or courts.

More recent Australian research has tended to focus on services that target single men and on persons who are chronic rough sleepers—also predominantly single men (see e.g. ARTD 2010; Flatau et al. 2012; Wilhelm et al. 2012). This research has shown positive changes in outcomes for clients of these services, with mixed

evidence on the associated change in cost of non-homelessness services. For example, whereas Flatau et al. (2012) reported a decrease in both health and justice costs for single men accessing the Michael Project (providing accommodation and other integrated support for single men in Sydney), Wilhelm et al. (2012) found that the provision of intensive supported housing to a group of previously rough sleepers resulted in lower justice related costs but higher health costs.

There is comparatively little research into the costs and associated benefits of services targeting the broader homeless population, including persons at risk of homelessness and tenancy support programs in Australia. Flatau et al. (2008) provided an analysis of programs operating in Western Australia (2006–07), including general supported accommodation programs for single men, single women and families and tenancy support programs. MacKenzie et al. (2007) evaluated the federal Household Organisational Management Expenses (HOME) Advice program, which provides tenancy support assistance. Their evaluation of cost offsets drew heavily on previous research, including unpublished data from Flatau et al. (2008).

The positive effect of support programs on the ability of people with a high risk of homelessness to maintain a tenancy and to avoid eviction events is demonstrated by data collated by the WA Department of Housing (DoH). Of all households housed as part of a NPAH program[1] between May 2010 and June 2011, as at June 2012 approximately 91 per cent had maintained their tenancies for 12 months or more and only 4 per cent (approximately) had ended in eviction. Where the NPAH program assisted people leaving specialist homelessness services, 95.5 per cent had maintained their tenancy for 12 months or more and only 3.8 per cent of tenancies had ended in eviction. For street-to-home clients, 90 per cent had maintained their tenancy for 12 months or more and only 3 per cent had ended due to eviction (Department of Housing WA, unpublished data).

This AHURI study seeks to redress the current paucity of research into these important issues in the context of the broader homeless community, and makes a significant contribution towards understanding the nature and distribution of the cost and associated benefits of providing homelessness assistance.

The first report, referred to here as the Baseline Report (Zaretzky et al. 2013) provided background information, discussed the study methodology and presented the findings of the Baseline Survey conducted with clients of the targeted specialist homelessness services shortly after they entered a period of homelessness support. It provided background information regarding the complete Baseline Survey sample including: client needs; the use of non-homelessness services such as health, justice and welfare support; the prevalence of eviction events; and the prevalence of children being placed in care due to unstable accommodation circumstances. For all homelessness programs examined, clients displayed a much higher prevalence of physical and mental health issues, and much higher rate of drug and alcohol use and dependence, than the Australian population in general. Relative to the broader Australian population they also reported: much lower educational attainment; very high rates of unemployment and reliance on welfare payments as their main income source; much higher levels of psychological distress; and a much lower quality of life.

Additionally, clients of homelessness services who participated in the Baseline Survey reported a much higher use of non-homelessness services in the 12 months prior to accessing the baseline period of homelessness support than the Australian population in general. In a cost–benefit framework, if the level of non-homelessness service use

[1] This includes persons leaving specialist homelessness services, people leaving institutional settings such as corrections and mental health facilities, and street-to-home clients.

by clients of homelessness services could be reduced to the level observed for the broader Australian population, the associated savings to government would represent an offset in part or in full to the cost of homelessness service provision. This would at least in part offset the cost of providing these services or, in a best case scenario, offset the full cost and result in a net savings to government. The Baseline Report quantifies the value of these potential savings. A unit cost for each non-homelessness service examined was estimated and attached to the average level of service utilisation observed for the clients of homelessness services and the average utilisation reported for the Australian population. The potential 'population offset' was defined as the difference between these two amounts.

The AHURI Baseline Report demonstrates that the total value of the potential 'population offsets' is large, on average $29 450 per client/year across the four case managed intervention points examined, namely: supported accommodation services for single men and for women; tenancy support for persons at risk of losing a tenancy; and street-to-home programs. The largest potential offset was observed for clients of services for single men ($44 137/year), followed by services for single women ($23 352/year), tenancy support services ($18 201/year) and street-to-home programs ($14 712/year). The largest driver of potential 'population offsets' related to the high average use of health services, which accounted for approximately half of all offsets across the case managed clients. This high average health service cost was driven largely by a high rate of use of hospital-based services.

The high rate of contact with justice services and reliance on welfare payments each accounted for a further approximate 20 per cent of potential offsets. It should be noted that the factors driving the high cost of justice contacts were different for clients of single men's services than for other cohorts. For persons accessing single men's services; the high justice cost largely related to time spent in prison, remand or detention and court costs. For the remaining cohorts it was driven largely by costs associated with being the victim of an assault or robbery which was reported to the police and court costs. The relative magnitude of health and justice costs and the drivers of the costs identified in the AHURI study are consistent with findings from Flatau et al.'s (2008) WA research and those for single men identified in the Michael Project (Flatau et al. 2010, 2012).

The cost of children placed in care due to unstable accommodation circumstances accounted for the majority of the remaining potential offsets. This cost was observed in relation to clients of single women's services and tenancy support only. The potential offset from reduced instances of eviction from public housing was very small, at $75 per case managed client/year. This was due to very few respondents, other than tenancy support clients, reporting that they had been in a public tenancy in the prior year. With the exception of tenancy support clients, respondents who had been in a public tenancy reported a high eviction rate relative to the broader Australian population (average of 0.28% per public housing tenancy) at: 50 per cent for clients of single men's services; 17 per cent for clients of single women's services; and 100 per cent for street-to-home clients.

It should be noted that the 'population offsets' presented in the AHURI Baseline Report represent an upper limit of potential offsets. Given the high incidence of health issues, low educational attainment and other issues challenging the vast majority of people at risk of homelessness it is unlikely that their use of non-homelessness services, on average, would be reduced to the population average. Therefore, it is unlikely that the full extent of these offsets would be realisable. In an ideal world a robust cost–benefit analysis of homelessness services would incorporate a control group of clients who did not receive relevant supports. As this is not reasonable in the

homelessness context, the AHURI Baseline Report discussed issues surrounding the feasibility and logistical issues of accessing a quasi-experimental comparison group instead of a control group, and examined the suitability of using a sample of people accessing day centres to this effect. Nonetheless, we argue that notwithstanding these limitations if even a portion of the projected offsets was able to be realised it would substantially offset the cost of providing homelessness support.

In this Final Report we significantly extend the analysis presented in the AHURI Baseline Report and examine the extent to which potential offsets were realised in the short to medium term. The Final Report presents the findings from the 12-month Follow-up Client Survey conducted with a sub-sample of Baseline Survey respondents who were able to be contacted and consented to participate in the Follow-up Survey. The findings from the Baseline and the Follow-up surveys were compared to examine the potential benefits of a period of homelessness support both to clients and to government. Benefits flowing to the wider society were not a focus of this study and are not reported. In addition to examining the change in client housing outcomes, we also examined issues identified as impacting on the ability of a client to maintain stable accommodation, namely: employment; income source; physical and mental health issues including access to adequate supports; drug and alcohol issues and associated supports; and more general issues around change in quality of life as a result of receiving homelessness support.

The cost of providing a period of support was estimated for each of the intervention points (supported accommodation services for single men and single women, tenancy support for persons at risk of losing a tenancy, and street-to-home programs), using both publicly available and government data sources, and primary data provided by services which deliver homelessness programs. This information was used to extend the available evidence on the relative cost of different homelessness programs in relation to recurrent funding, the capital employed in providing client accommodation and other costs incurred by government in administering homelessness programs. Finally, the whole of government cost of providing homelessness support was analysed to provide an estimate of the integrated cost of providing support. The potential value to government from the change in use of non-homelessness services was quantified and extensive analysis of the distribution of these costs presented.

For the purposes of this report, the whole of government cost is defined to include the government cost of providing the homelessness program plus the change in government cost associated with the change in use of non-homelessness services. Where a decrease in the cost of non-homelessness services is found, the whole of government cost will be less than the homelessness program cost, and potentially might create a net saving. In some instances an increase in the cost of non-homelessness services was found, and the whole of government cost was greater than the homelessness program cost. To the extent that this additional cost represents an appropriate use of non-homelessness services to address issues that affect a person's ability to maintain a tenancy, this higher cost should be viewed as representing the cost of an integrated package of services to reduce the probability of homelessness. As only short- to medium-term outcomes were examined, however, it was not possible to determine whether these higher costs of non-homelessness services would be ongoing, or whether they would decrease in the longer term once immediate issues were addressed. Further research using a longer-term framework and potentially linked administrative data sets is required to address this issue.

This report examines average program costs across the states and services incorporated in this study and associated benefits for a range of homelessness programs. Because each program has a different target population and provides a

different approach to addressing client needs, the results do not represent the actual cost or client outcomes for any given service. It was not expected that client outcomes or the cost of providing support would be equivalent across jurisdictions, services or programs.

The cost of operating specialist homelessness services is dependent on a range of factors, including:

- The target intervention point and type of program support provided.
- Whether accommodation is provided and the proportion of clients who receive it.
- The number of one-off assistance events.
- The complexity of client needs.
- The average length of a support period.
- The extent to which support is provided via a brokerage arrangement, rather than by the service itself.

When assessing the cost-effectiveness of homelessness interventions these issues must be considered in relation to both the cost of providing the support and the change in client outcomes. A direct relationship exists between the duration and cost of support provided. Similarly, the more complex the needs of the client, the higher the anticipated cost of providing that support. Likewise, client outcomes are likely to be linked to the duration of the support and complexity of their needs. However, the link is more complex. For example, crisis accommodation services provide relatively short-term support to clients with a wide range of needs. A client experiencing a one-off period of homelessness who has low complexity of needs might only require a short period of support to re-establish stable housing. However, it is not possible to know what might have happened if that person was unable to access relevant supports: would they have been able to re-establish stable housing anyway, or would their needs and consequently their utilisation of non-homelessness services have become more complex as a consequence of a potentially prolonged period of homelessness? Conversely, where a person has complex needs a short period of support might have a short-term effect on outcomes but arguably would be less likely to result in a longer-term resolution of an individual's needs or circumstance and subsequent use of these services.

This study is therefore limited to a discussion of short- to medium-term observed changes in outcomes for clients of homelessness services who participated in the Client Survey, and largely addresses the average change in outcomes for these respondents. What might have happened had the individual not received support is not known; similarly the longer-term effect of support on client outcomes cannot be ascertained within the scope of this study.

The question of what might have happened if support was not provided is best examined by inclusion of a control group that does not receive support. Ethical considerations mean that this is typically not possible in studies of homelessness support programs. The original scope of this study included investigation of the possibility of including a quasi-experimental comparison group and discussion of issues encountered in attempting to do so. As discussed above, the day centre cohort was included in the baseline sample as a potential quasi-experimental comparison group. However, the Baseline sample size of the day centre sample cohort was small (14 respondents) and the Follow-up sample even smaller (three respondents). Therefore it was not possible to undertake this type of comparison.

Linked administrative data sets provide the hope, in the future, of progressing the research agenda in this area. The key benefits of linked administrative data sets are larger samples, longer time periods, opportunities for comparing outcomes of a 'treatment group' with a 'control group' using propensity matching techniques, following the progress of both over time and reducing issues associated with self-reported data.

The structure of this report is as follows: .Chapter 2 outlines the study method for the Client and Agency surveys focusing on the issues examined in this report. Issues of comparability of the sub-sample of respondents who participated in both the Baseline and Follow-up surveys with the complete baseline sample are examined. Chapter 3 presents the background of the sample of respondents who participated in both the Baseline and Follow-up surveys and examines the change in outcomes observed for these respondents. Chapter 4 analyses respondents' use of non-homelessness services, the mean change in use of these services and the associated mean change in cost to government. Chapter 5 examines issues surrounding the distribution of health and justice service use and change in service use by clients of homelessness services following a period of support and associated impacts on government expenditure. Sensitivity analysis for the value of cost offsets is presented. Chapters 6 and 7 examine the cost of providing specialist homelessness services and the whole of government cost inclusive of change in cost of non-homelessness services, respectively. Chapter 8 provides a summary of the findings and discusses the direction of future research.

2 METHOD AND CONCEPTS

This Final Report is the second of two reports addressing the four research questions that form the foundation of this national study on the cost of homelessness and net benefit of homelessness programs. The first report (Zaretzky et al. 2013) is referred to as the AHURI Baseline Report.

In this chapter, we present the research questions and provide details of the methodological framework and key concepts underpinning the study. Section 2.1 outlines the study's research questions; Sections 2.2 to 2.4 provide details of the homelessness intervention points examined and address terminology and definitions; Section 2.5 discusses the cost–benefit and cost-effectiveness framework and issues surrounding identification of a quasi-experimental comparison group; Section 2.6 provides details of the Client Survey; Section 2.7 explains the approach taken to estimating cost offsets and the distribution of health and justice offsets; Section 2.8 details the method used to determine the cost of providing specialist homelessness services, including the Agency Survey results; and Section 2.9 discusses determination of the whole of government cost of providing homelessness programs. Finally, Section 2.10 discusses current capacity to use administrative data sets to examine outcomes of people experiencing homelessness.

2.1 Research questions

Research Questions 1 and 2 were addressed in some detail in the AHURI Baseline Report, and are examined further in this Final Report along with Questions 3 and 4. Two surveys were employed to collect primary data to examine the issues raised in the research questions: the Client Survey, a longitudinal survey of clients of homelessness services conducted in two waves; and the Agency Survey, a survey of agencies and services that deliver specialist homelessness programs. The first wave of the Client Survey captured clients directly after their point of entry into homelessness support and is referred to as the Baseline Survey. The second wave was administered 12 months after the Baseline Survey and is referred to as the Follow-up Survey. The Baseline Survey collected primary data on clients' circumstances at the point of survey and in the previous 12 months. The Follow-up Survey collected information regarding the client's circumstances at the point of survey and during the 12 months following the Baseline Survey. The Agency Survey collected primary data on the agencies and services which provide specialist homelessness services including client numbers, recurrent funding and expenditure and capital employed in delivering the services. A detailed description of the data items included in the Client Survey is provided in the AHURI Baseline Report.

The four key research questions are described below.

Research Question 1: The health, justice, income support and welfare support costs of homelessness.

To what extent and in what ways are homeless people and those at risk of homelessness heavy users of health, justice, income support and welfare support programs? What are the patterns of service use among homelessness support clients and how are these patterns affected by the needs and homelessness histories of those involved? What savings (or cost offsets) might accrue to government as a result of reduced utilisation of health, justice, income and welfare support programs? In what ways might service utilisation increase as a result of improved assistance to homeless people and what would the benefits of such increased assistance be in the longer term?

Research Question 2: Recurrent and capital government costs incurred in operating homelessness programs.

What are capital and recurrent costs of homelessness programs per day of support? How do the costs of support differ according to the client base, the nature of the clients being supported and differences in state and territory program funding models?

Research Question 3: The benefits and costs of homelessness programs.

What are the benefits and what is the net cost of assisting homeless people and those at risk of homelessness? To what extent do reduced expenditures in the areas of health, justice, welfare support and income support payments offset the costs of homelessness programs?

Research Question 4: Exploration of administrative data linkages between homelessness and other services.

To what extent is it possible to link administrative datasets to evaluate the whole-of-government costs of homelessness and the cost offsets associated with homelessness programs?

2.1.1 Research questions addressed in the AHURI Baseline Report

Research Question 1 was addressed through a longitudinal survey of clients of homelessness support services and an analysis of administrative data. Non-homelessness services investigated were health, justice, welfare payments, the cost of children being placed in care due to unstable accommodation circumstances and the cost of eviction from public housing. The Baseline Survey collected primary data on the clients' circumstances at the time of entering a period of homelessness support and the previous 12 months. The Follow-up Survey collected primary data on the client's circumstances during the subsequent 12 months.

The AHURI Baseline Report presented the results of the Baseline Survey and addressed Research Question 1 by providing an understanding of: (1) the demographics of the homelessness population and those at risk of homelessness; (2) their circumstances both at the time of entering a period of support and in the previous 12 months; and (3) the extent to which their utilisation of non-homelessness services in the previous 12 months varied from that of the Australian population in general; (4) initial estimates of the value of potential savings that might accrue to government (cost offsets) from a reduced use of non-homelessness services by clients resulting from the provision of homelessness support.

Cost offsets are examined in the Baseline Report in two ways. First, the difference between the cost of non-homelessness service use by clients in the 12 months prior to their participation in the Baseline Survey and that of the broader Australian population was estimated from survey and administrative data. This difference represents the potential offset if the use of services by persons at risk of homelessness was reduced to the Australian average as a result of providing homelessness support and represents an upper limit. Issues such as diagnosed physical and mental health issues in the survey population that exceed the Australian population average suggest that a higher ongoing use of non-homelessness services than the population average will be required to address these issues, particularly in relation to health and welfare support. A second estimate of the value of cost offsets was ascertained via an in-sample comparison of the cost of non-homelessness services for respondents who had experienced homelessness in the 12 months prior to the Baseline Survey with respondents who had not experienced homelessness in this period. Characteristics such as health, educational attainment and drug and alcohol use for these two cohorts were found to be more closely aligned than when

comparing the survey sample with the the broader Australian population. Therefore, this second method provides a more conservative estimate of the value of potential cost offsets.

The AHURI Baseline Report also provided a detailed description of the homelessness intervention points and the associated programs examined in the study, the type of support provided and how the program charateritics and implementation differed between the states (Research Question 2). Data from the Baseline Survey provided a detailed picture of client characteristics for each program examined. Differences in state funding models were examined as part of this Final Report.

2.1.2 Research questions addressed in the AHURI Final Report

The AHURI Final Report addresses the four research questions, expanding on the analysis in the Baseline Report for Research Questions 1 and 2.

A matched sample of respondents who participated in both the Baseline and the Follow-up surveys was used to examine the extent to which respondents' circumstances (e.g. accommodation, employment, health and quality of life) and use of non-homelessness services (e.g. health and justice) had changed in the 12 months following the Baseline Survey and entry into a period of homelessness support, relative to the preceding 12 months (Research Question 1). Non-homelessness services examined in the analysis additionally included: clients' receipt of welfare payments; and instances of eviction from public housing. Unit costs of non-homelessness services developed from administrative data in the AHURI Baseline Report were used to examine the change in cost to government from any difference in the use of non-homelessness services and to provide further information on cost offsets associated with a period of homelessness support. In some instances a period of support resulted in an increase in utilisation of non-homelessness services in the short to medium term as a client's needs were better met. Data from the Client Survey and discussion with homelessness service providers were used to identify benefits accruing from increased service utilisation.

In addition to examining the cost or cost offset arising for government from the mean change in non-homelessness service use, we also examined the distribution of non-homelessness service costs and the distribution in the change in these costs, providing insight into the drivers of these mean costs, and also further appreciation of the change in non-homelessness costs associated with the 'typical' client of homelessness services.

It should be recognised that a person's circumstances and outcomes, and the change in these over the 12-months following their entry into homelessness support, are likely to be affected by a range of unobservable variables in addition to the provision of specialised supports. The current data limitations mean that it is not possible to control for these factors. The cost offsets should therefore be interpreted as potential offsets arising from the provision of homelessness support, recognising that each person's circumstances, and thus the impact of supports on individual outcomes, will be different.

The Final Report also investigates recurrent and capital costs incurred by government and service providers in operating homelessness programs (Research Question 2). Information regarding the cost of program delivery was obtained from two perspectives. First, government sources were used to estimate the top-down cost to government of providing homelessness support programs. Second, expenditure and revenue information was obtained from agencies and associated services participating in the study to develop a bottom-up estimate of the cost of service delivery.

For the top-down estimate, total and average recurrent costs to government of program delivery in each state was obtained from publicly available sources and from information requested from government departments administering the programs. Data on capital invested in supported accommodation was also obtained from the relevant government departments. This information was used to estimate the cost per client day and cost per client for each program type for each state where services participated in the study. An average national cost was also presented for supported accommodation services. For the bottom-up estimate, primary data on recurrent and capital funding, client numbers and the cost of providing services was collected via the Agency Survey. This provided further insight into: the cost to government of homelessness support; the cost structure of homelessness support services; the extent to which service providers supplement government recurrent and capital funding; and the sources of these additional funds (e.g. rent receipts from clients).

Research Question 3 draws together the findings from: Research Question 2, regarding the cost of providing homelessness services; and Research Question 1, regarding client outcomes and potential cost offsets resulting from a period of homelessness support where the use of non-homelessness services is reduced. Within a cost-effectiveness framework, the net value of these two amounts represents the net cost to government of providing homelessness programs. We argue that in situations where the cost of non-homelessness services increases, for example where the use of mental health services increases in order to address issues impacting on housing stability and tenure, for any subsequent improvement in housing outcomes the increased cost of non-homelessness services and supports should be viewed as part of the total integrated cost of homelessness support.

Research Question 4 investigates the use of administrative data to estimate the costs of homelessness. We argue that the use of administrative data would reduce the reliance on retrospective self-report data. Such an approach would require the linkage of homelessness program client identifiers with similar identifiers in health, justice, welfare support and income support datasets. This component of the research seeks to develop a research design for a future study on the estimation of whole-of-government costs of homelessness in Australia using administrative data sets. The benefit of being able to access this type of data has been demonstrated by studies in the United States (e.g. Culhane et al. 2002; Perlman & Parvensky 2006).

State and territory and Commonwealth authorities are currently addressing the question of administrative data linkage and this is currently a matter being addressed at the national level by the Australian Institute of Health and Welfare (AIHW). At present, no jurisdiction has linked homelessness and housing data to health, justice, welfare support and income support data in a comprehensive fashion. What is possible, however, is specific research exercises taking cohorts of entrants to homelessness services and to housing under specific homelessness programs and through various matching tools linking these cohorts to existing linked administrative data sets.

2.2 Homelessness intervention points examined

Interventions proposed in the Australian Government's White Paper on homelessness (FaHCSIA 2008) are intended to provide a framework for prevention (turning off the tap) and to strengthen available services to break the cycle of homelessness. We examined a corresponding range of intervention points: from tenancy support programs for those who were currently in housing but at risk of losing their tenancy; to street-to-home programs for rough sleepers with complex needs. The four intervention sites examined were:

Supported accommodation services for men—provided primarily for single men without secure accommodation. The services cater additionally for men removed from the family home due to domestic/family violence who are at risk of homelessness. These services operate under the NAHA. Prior to the introduction of the NAHA these services operated under the Supported Accommodation Assistance Program (SAAP) and capital funding occurred through the Crisis Accommodation Program (CAP).

Supported accommodation services for women—provided for single women, including women with children. The services cater additionally for women escaping domestic/family violence. AIHW (2011a) reports that 45 per cent of women with children cite domestic/family violence as the main reason for seeking assistance. These services primarily operate as crisis accommodation and women's refuge services, which operate under the NAHA. Prior to the introduction of the NAHA these services operated under SAAP, with capital funding through the CAP. Included in the Baseline Survey was a small number of clients of the Safe at Home program, a new initiative introduced as part of the NPAH. No consent was provided to contact these clients for the purpose of the Follow-up Survey; findings discussed in this Final Report therefore do not include Safe at Home.

Tenancy support services—which assist those at risk of homelessness with existing tenancies in the public and private rental sectors. These are early intervention services that aim to stop homelessness from occurring. They are funded primarily by the Commonwealth and state governments under the NPAH. Services that participated in the study operate in: Victoria under the Social Housing Advocacy and Support Program (SHASP) under the program for intervention into at-risk tenancies (IART); South Australia under the Intensive Tenancy Support (ITS) program; and Western Australia under Private and Public Tenancy Support programs operated by the WA Department for Child Protection and Family Support (DCPFS). In Western Australia services were also drawn from those delivering the Supported Housing Assistance Program (SHAP), operated and funded by the WA Department of Housing[2].

Street-to-home services—which provide street outreach and long-term supported accommodation to people leaving primary homelessness with complex mental health and/or drug and alcohol needs. Street-to-home is a long-term intensive support initiative and, as such, is a high-cost program. Recurrent funding is provided under the NPAH, with accommodation for street-to-home clients provided through NAHA (previously CAP) and mainstream social housing. Street-to-home programs in their current form commenced in most states in 2010. The exception is South Australia, where the program commenced in 2005. Only a very small sample of six street-to-home clients participated in the Baseline Survey. Of these, four also participated in the Follow-up Survey. Due to the very small sample size client outcomes are presented for completeness of information only. The cost to government of providing street-to-home services is examined, but no analysis is undertaken of the value of potential cost offsets from the change in use of non-homelessness services. Issues encountered in obtaining a representative sample of street-to-home clients are discussed briefly below, and in more detail in the Baseline Report.

The Baseline Survey was administered with clients from each of the intervention points cited above. These intervention sites were all case managed. A small sample of day centre clients was also included in the Baseline Survey as a potential quasi-experimental comparison group. Due to logistical issues in accessing this cohort, only

[2] In 2013 SHAP was replaced with Support and Tenant Education Program (STEP) (Government of Western Australia, Department of Housing 2013).

14 day centre clients participated in the Baseline Survey and three in the Follow-up Survey. Consequently, it was not possible to use this cohort as a viable quasi-experimental comparison group. Client outcomes are were presented for completeness of information only and no conclusions should be drawn from comparison of the change in day centre client outcomes with those observed for any other cohort. A discussion of logistical issues and analysis of the suitability of day centre clients as a quasi-experimental comparison group for clients of services for single men and street-to-home programs is included in the Baseline Report (Zaretzky et al. 2013).

Tenancy support services represented in this study provide a range of support mechanisms to people at risk of losing either a private or public tenancy. Assistance is designed to improve the tenant's ability to maintain the tenancy, thus preventing a period of homelessness. The types of issues addressed include: assistance with budgeting to enable rental arrears to be met; referral of clients to mental health and drug and alcohol services; modification of anti-social behaviours; and development of housekeeping skills. Private tenancy support services include financial assistance such as bond, rental and removal payments (FaHCSIA 2008). Tenancy support services also deliver assistance under the NPAH policy of 'no exits into homelessness' from statutory or custodial care and hospital, mental health and drug and alcohol services. Under this program housing support workers assist people exiting care to access long-term accommodation and provide support to maintain the tenancy. These latter services are not included in the current study.

The street-to-home program is a new initiative under the NPAH. It is aimed at rough sleepers with complex needs and a long history of repeated periods of homelessness. As such it involves high levels of support over a long period and is a high-cost program. The sampling methodology required that the Baseline Survey be conducted close to the commencement of a client's support period. This sampling requirement, combined with the long-term nature of this program (implying low client turnover), created a bias against street-to-home respondents being included in the study. Despite this bias, as this was an important new initiative it was considered appropriate that the intervention point be examined as much as was practical within the constraints of the project. However, start-up issues experienced by the street-to-home services that agreed to participate in the study, in conjunction with their participation at the time of survey in a number of government-initiated and other evaluations, resulted in the capacity of street-to-home services to conduct client interviews being significantly lower than was originally anticipated at the time of their initial recruitment into the study. Consequently only two street-to-home services conducted client interviews. This resulted in the sample being considerably smaller than originally anticipated. The very small sample size and bias outlined above led to the inclusion of the findings of the street-to-home interviews for completeness of information only, and no conclusions should be drawn from the results presented.

This study did not specifically target families. Families were incorporated to the extent that they accessed the four intervention sites examined. As discussed in the AHURI Baseline Report, the requirement to conduct the Baseline Survey near to the commencement of the respondent's support period created a bias against a representative sample of families accessing supported accommodation services. Families seeking accommodation are more likely to stay in crisis accommodation for a longer period than single people, and are more likely to be turned away from SAAP (AIHW 2011f). Given the time limitations of this study, it was determined that it was unlikely that a sufficiently large sample would be obtained.

Services providing support to young people at risk of homelessness were also not targeted in the study. Specialist homelessness services targeting young people were already participating in a study examining the cost-effectiveness of youth homelessness services. Therefore young people are only represented to the extent that they were using general services in the four intervention points examined.

2.3 SAAP/NAHA transition and terminology

From 1 January 2009, Australian government response to homelessness was administered under the NAHA and the NPAH. The range of programs administered under these agreements is jointly referred to as Housing Support Services (HSS). Prior to this a range of Commonwealth and state and territory programs existed to assist persons who were homeless or at risk of homelessness in Australia, of which the SAAP was the largest.

At the time of undertaking this research funding for programs had transitioned to NAHA and NPAH, but for the majority of the time this research was being conducted the process used to gather data on homelessness services and associated reporting continued to align largely with the reporting required under the previous SAAP V arrangements and use the terminology and labels of data produced under that agreement. For example, 'SAAP/CAP accommodation' continued to be reported as a type of support in the SAAP National Data Collection Agency (NDCA) Annual Report for the 2010–11 year (AIHW 2011a). The new Specialist Homelessness Services data collection commenced 1 July 2011. It replaced the SAAP data collection and was expanded to include homelessness services operated under both NAHA and NPAH.

To be consistent with the transitional reporting environment that existed during the time primary and secondary data were being collected, this study also employs terminology that is largely aligned with the previous SAAP environment. The SAAP National Data Collection Agency (NDCA) Annual Report is utilised where appropriate when examining continuing 'SAAP-like' services which are continued from the pre-NAHA policy environment, for example, supported accommodation services for single men and for single women. Data relating to programs not incorporated within the SAAP, tenancy support and street-to-home programs is obtained from relevant government departments.

2.4 Definitions of 'homelessness'

The study reports on outcomes for clients of specified homelessness prevention and assistance programs who accessed support between October 2010 and May 2011. As noted in Flatau et al. (2008, p.20) and Zaretzky et al. (2013, p.10), 'by utilising a client-based approach to determine study participant eligibility, we rely on the program's eligibility rules'. Under NAHA and NPAH, as with the previous SAAP agreement, a comprehensive definition of homelessness is applied. The NPAH objective is stated as contributing to the NAHA outcome that: 'People who are homeless or at risk of homelessness achieve sustainable housing and social inclusion' (COAG 2009). The range of programs administered under NAHA and NPAH is designed to assist state and territory governments to meet this objective. Each program type will then have a subset of criteria to determine eligibility for that program. For example, tenancy support services assist people who are 'at risk of homelessness'. Those incorporated in this study assist people facing possible eviction from their current public, social or private rental accommodation who would have difficulty sourcing new permanent accommodation.

The other definition of homelessness commonly utilised is the cultural definition. This is the definition utilised in the Australian Government's White Paper on homelessness

(FaHCSIA 2008) and is used in this study when discussing accommodation circumstances of clients of Specialist Homelessness Services. The cultural definition describes three kinds of homelessness:

- *Primary homelessness*, people without conventional accommodation. This includes those sleeping rough or living in improvised dwellings.
- *Secondary homelessness*, people staying in or moving between various forms of temporary accommodation. This includes staying with friends or relatives with no other usual address and people staying in Specialist Homelessness Services.
- *Tertiary homelessness*, including people living in boarding houses or caravan parks with no secure lease and no private facilities, both short- and long-term. (Chamberlain & Mackenzie 1992)

The definition of homelessness utilised in the NPAH is also based on the cultural definition. It also provides a definition for rough sleeping, being 'primary homeless people' (COAG 2009).

As discussed in the AHURI Baseline Report, it is also advisable to differentiate between homelessness and chronic homelessness. Reynolds (2008) states that the vast majority of people who experience homelessness will have only a brief episode and it will occur only once. It may be caused by events such as sudden unemployment or illness, or family breakdown. In contrast, chronic homelessness is defined as 'an episode of homelessness lasting six months or longer or multiple episodes of homelessness over a 12-month period or more' (Reynolds 2008). Reynolds states that in developed countries approximately 15 to 25 per cent of the homeless population is chronically homeless. People who experience chronic homelessness are likely to have 'complex needs', experiencing one or more of a range of mental and physical health issues, a history of abuse or trauma, addictions and literacy problems. Reynolds (2008) states the SAAP-funded services typically provide short-term or crisis 'congregate' care services and that this type of program is not well suited to meet the multi-dimensional or long-term needs of the chronically homeless. Chronically homeless people often end up cycling through SAAP services, boarding houses or living semi-permanently on the streets.

2.5 The cost-efficiency and cost–benefit framework, and identification of a quasi-experimental comparison group

A measure of program cost-effectiveness requires an estimate of the cost of implementing the program and the extent to which participation in the program changes outcomes for the participants. A cost–benefit analysis attempts to quantify costs and requires that a dollar impact of the change in client outcomes be quantified, often in terms of lifetime costs and benefits. Ideally such an analysis would involve a control group in which members do not partake in a given program. A comparative analysis examines outcomes for a control group compared with persons who receive program support. The cost of providing the program net of the dollar impact of any changes in outcomes for program clients represents the net cost of providing the program. Generally, where the costed benefits of a program exceed program costs there is an argument that the program should proceed.

Both cost-effectiveness analyses and cost–benefit analyses require assessment of client outcomes against an alternative. In the context of the current study, the alternative would be one of no intervention. This is currently not possible in the homelessness environment. To create a true control group it would be necessary to deny support to persons who are otherwise eligible, and to compare the outcomes of

this control group with those of persons who receive support; ethical considerations exclude this approach.

An alternative approach explored in the AHURI Baseline Report was to identify a quasi-experimental comparison group: persons who are eligible for support but are not receiving it due to system constraints or other reasons. The difficulty of this approach lies in both identifying and accessing such a group. Persons requiring but not able to access supports are difficult to identify and to contact. They are also likely to have less motivation to participate in a survey. In addition, the provision and uptake of support is not determined randomly. Rather, it is often a function of need and/or the person's motivation and capacity to access support. Therefore, there is the question of identifying a group with similar characteristics to the treatment group but not receiving support.

Despite these issues the feasibility of accessing a quasi-experimental comparison group for each of the study cohorts was explored as part of the AHURI Baseline Report. Men and women accessing day centres who were living in homelessness circumstances were considered as a potential quasi-experimental comparison group for supported accommodation services for single men and single women and for street-to-home clients. Persons on the wait list for the SHAP tenancy support program in Western Australia, and persons identified by Centrelink as at risk of homelessness due to issues with their tenancy but due to system constraints were not able to access the Household Organisational Management Expenses (HOME) Advice program, were considered as a potential quasi-experimental comparison group for tenancy support clients. However, due to a range of logistical and ethical issues it only proved possible to administer the Baseline Survey with a small group of day centre clients: 13 male and one female.

Suitability of the day centre cohort as a potential quasi-experimental comparison group for either single men[3] or street-to-home clients was examined using the Mann-Whitney test for equality of medians. Characteristics assessed included: age; whether respondents were of Indigenous origin; employment and income circumstances; existence of physical, mental health or drug and alcohol issues; and previous experiences of homelessness or precarious living. Test results showed that day centre clients represented a better comparison group for street-to-home clients than for clients of supported accommodation services for single men. For all characteristics assessed it was not possible to reject the hypothesis that the median characteristic of day centre and street-to-home clients was equivalent.

In contrast, when comparing day centre clients and clients of services for single men, the hypothesis was rejected for several characteristics considered important risk factors for homelessness. This suggests that day centre clients would represent a viable quasi-experimental comparison group for clients of street-to-home services. Unfortunately, as discussed previously, issues with administering surveys with street-to-home clients resulted in a very small sample in both the Baseline and Follow-up surveys. Also, of the 14 day centre clients who participated in the Baseline Survey, only three were able to be contacted and agreed to participate in the Follow-up Survey. Consequently, it was not possible to use the approach of comparing outcomes for a 'treatment' and a quasi-experimental comparison group. For further discussion of the approach taken and issues encountered in identifying and accessing a quasi-experimental comparison group see AHURI Baseline Report, (Zaretzky et al. 2013).

[3] The sub-sample of male respondents from the day centre cohort was considered as a potential quasi-experimental comparison group for single men.

Similarly, it is not possible to compare the cost of program delivery, change in client outcomes or cost offsets across programs. The programs examined targeted different clientele with differing backgrounds and levels of complexity of needs. More intensive and longer support periods are typically required for programs targeting persons with long histories of homelessness and more complex needs. Such programs are typically of higher cost with a greater potential for significant changes in client outcomes but often that change occurs in small increments over a long period. Studies such as this capture outcome changes that occur over a portion of that time. In contrast, where it is possible to intervene early in the homelessness cycle, doing so is often seen as a comparatively cost-effective method of dealing with the issue of homelessness (Mackenzie et al. 2007). In addition to the different target groups, the programs themselves operate differently in each of the jurisdictions included in the study. Funding models and the manner in which client numbers are accounted for also varied across jurisdictions.

2.6 The Client Survey

To examine program cost-effectiveness, data are required to demonstrate the impacts of an intervention on client outcomes. As previously noted, only short- and medium-term outcomes were investigated in this study. For SAAP services limited outcome data were available through NDCA annual reporting process where client accommodation, employment, income source and educational status before and directly after seeking assistance are reported. Comparable data were not available for tenancy support and street-to-home services. No data are routinely collected regarding outcomes in the areas where both international and Australian studies have shown the major impact on cost to government from homelessness intervention to be: utilisation of health services; and contact with justice services. Availability of linked data sources in the areas of homelessness assistance, health, welfare and justice would enable this information to be collated. The extent to which this can be undertaken in Australia currently and the issues involved in allowing data linkage to occur are examined elsewhere in this report. In the absence of linked data sources, primary data on client outcomes from each of the homelessness intervention points was limited to the Client Survey (see Section 2.2). The Client Survey data items are discussed in detail in the Baseline Report. Data items in the Follow-up Survey were largely the same as the Baseline Survey.

This Final Report provides findings in relation to the sub-sample of respondents who participated in both the Baseline and the Follow-up Surveys. Comparison is made between findings from the Baseline and Follow-up surveys for the sub-sample of respondents who participated in both survey waves to provide evidence of the change in outcomes resulting from a period of homelessness support and the change in non-homelessness service utilisation and associated government cost savings.

2.6.1 The Client Survey sample

To be eligible to participate in the Baseline Survey an individual had to be 18 years or over and to have begun a period of support in one of the designated programs in the period October 2010 to May 2011.[4] The Baseline Survey was administered by the non-government organisations which delivered the homelessness services, in many cases by the respondent's case manager. Therefore, the composition of the Baseline Survey sample was in part determined by the capacity of specialist homelessness services to conduct the Baseline Survey. The sampling framework for the Baseline Survey and issues surrounding the recruitment of service providers and capacity to

[4] The majority of Baseline Surveys were conducted between November 2010 and March 2011. The data collection period was extended to May 2011 for programs where the response rate was low.

administer the survey are discussed in the AHURI Baseline Report (Zaretzky et al. 2013).

In total 204 Baseline Surveys from 30 specialist homelessness services were completed that met the study requirements: 69 (34%) from single men's services; 74 (36%) from single women's services; 41 (20%) from tenancy support services; six (3%) from street-to-home services; and 14 (7%) from day centre clients. Findings from the Baseline Survey are reported in the AHURI Baseline Report and provide evidence from a broad cross-section of relevant services that operate in capital city and suburban locations, and a smaller number of services operating in major regional cities.

Where possible, respondents to the Baseline Survey were contacted 12 months after the date their survey was administered and requested to participate in the Follow-up Survey. Due to the typically transient nature of persons at risk of homelessness, considerable effort was devoted to maintain contact with Baseline Survey respondents in the 12 months between the Baseline and Follow-up surveys and to obtain current contact details. The process followed is discussed at Section 2.6.2. Only those respondents who had completed a Baseline Survey that met the study requirements and was considered a valid survey for the purposes of analysis were contacted. Although respondents were contacted to complete the Follow-up Survey as close as possible to 12 months after completing the Baseline Survey, in many instances it took several attempts to contact and meet with a respondent. The maximum time for a Follow-up Survey to be completed after the Baseline Survey was set at 15 months.

In total 62 Follow-up Surveys were completed. Of these 61 were considered valid for the purposes of analysis, with one Follow-up Survey being conducted more than 15 months after the date of the Baseline Survey and therefore excluded. Of the Follow-up Survey sample, at the time of the Baseline Survey: 18 respondents (30%) had been a client of a supported accommodation service for single men; 23 (38%) had been a client of a supported accommodation service for single women; 13 (21%) had received a period of tenancy support; four (7%) were clients of a street-to-home service; and three (5%) were clients of a day centre (see Table 3). This represents a follow-up rate of 30 per cent on average, with the highest follow-up rate being for street-to-home clients, at 67 per cent, and the lowest being for day centre clients at 21 per cent. However, the initial number of respondents for these two cohorts was very low, at just six and 14 respondents, respectively. Consequently, the sample size was too small to draw conclusions about the effect of support on client outcomes. The follow-up rate for the main client cohorts was 26 per cent for single men, 31 per cent for single women and 32 per cent for tenancy support programs. This provided a small but workable sample for analysis of the main client cohorts with a total of 54 respondents in these three cohorts who completed both the Baseline and the Follow-up surveys, the smallest sample being 13 respondents from tenancy support programs.

While SAAP single men's services were overrepresented in the Follow-up Survey sample, single women's services were appropriately represented, when compared with the SAAP population. Approximately 44 per cent of SAAP-based surveys conducted were with previous clients of services for single men and 56 per cent with previous clients of services for single women. This compares with 37 per cent of all clients accessing SAAP services being single men and 54 per cent being single women (AIHW 2011a). Tenancy support clients were also overrepresented, representing 21 per cent of the total follow-up sample. In comparison, tenancy support clients represented only approximately 2 per cent of the total of SAAP and tenancy

support clients in the states represented in this study (see details of program client numbers in Chapter 6).

Table 3: Follow-up Survey by state and program type

Program type	Number of surveys, by state				Total	Proportion of follow-up sample	Proportion of baseline respondents
	NSW	SA	Vic	WA		%	%
Single men	1	3	5	9	18	30	26
Single women	12	0	0	11	23	38	31
Tenancy support	0	3	6	4	13	21	32
Street-to-home	1	0	0	3	4	7	67
Day centre	0	0	0	3	3	5	21
Total	14	6	11	30	61	*100*	*30*

2.6.2 Tracking process and administration of the Follow-up Survey

Due to the typically transient nature of the homelessness population, it is often very difficult to maintain contact with people and achieve a viable follow-up sample. It was therefore essential to put in place a number of initiatives to facilitate contact with respondents to conduct the Follow-up Survey. This was of particular importance where a person was receiving short-term crisis accommodation support at the time of the Baseline Survey, as their current address was often that of the service where they were being accommodated. The initial contact with potential respondents was made at the time a person was receiving specialist homelessness support. The approach to participate in the survey was typically made by the client's case manager or another employee of the homelessness service, and the Baseline Survey was also typically conducted by the respondent's case manager or service employee.[5]

In contrast, the Follow-up Survey was conducted by the research team, often outside of a period of support. To increase the likelihood of locating respondents to administer the Follow-up Survey, several initiatives were incorporated within the Baseline Survey. In addition to providing current contact details, respondents were asked to provide consent for the research team to contact other parties to provide updated contact details in the event that the respondent was not able to be contacted using the details provided at the time of the Baseline Survey. These parties included the respondent's case worker, friends and/or relatives with stable accommodation circumstances, Centrelink and the public housing authority in the relevant state. Provision of both the respondent's current contact details and the consent to contact other parties was entirely voluntary and participation in the Baseline Survey was not conditional on a respondent providing this information.

Table 4 reports the percentage of respondents providing each type of information and/or consent in both the complete baseline sample and in the sub-sample who participated in the Follow-up Survey. As with the complete Baseline Survey sample, the vast majority of Follow-up Survey respondents had provided some type of contact

[5] In a limited number of situations where a service wished to participate in the study but did not have the capacity to administer the surveys, a member of the research team administered the Baseline Survey.

details at the point of the Baseline Survey, and over 75 per cent provided permission to contact another party in the event that the respondent was not able to be contacted via the details they originally provided. Comparing the complete baseline sample with the sub-sample of respondents who completed the Follow-up Survey, a larger proportion of respondents who also completed the Follow-up Survey provided their personal contact details and permission to contact the state housing authority to obtain updated contact details. A smaller proportion provided permission to contact their case worker and details of at least one relative or friend who could be contacted to obtain current details. Approximately the same proportion provided permission to obtain current contact details from Centrelink.

That around 15 per cent of respondents who participated in the Follow-up Survey did not provide contact details for themselves at the time of the Baseline Survey and were only contactable via another avenue, demonstrates the importance of these initiatives in increasing the follow-up rate.

Table 4: Information and consent to facilitate respondent follow-up

Information/consent requested	Respondents where information/consent provided	
	Complete Baseline sample %	Sub-sample participating in Follow-up Survey %
Respondent contact details	74.0	85.2
Permission to contact case worker	93.7	83.6
Contact details for relative/friend	60.2	55.7
Permission to contact Centrelink	76.5	75.4
Permission to contact state public housing authority	69.9	77.0

Respondents were contacted by the research team at six and 12 months after the Baseline Survey. The six-month contact was to maintain respondent engagement and to obtain updated contact information for the client and any nominated friends and relatives. The contact at 12 months was to arrange for the Follow-up Survey to be administered by a member of the research team.

The process of contacting respondents was both time and labour intensive. At both six and 12 months, contact with the participant was attempted first using the contact details supplied at the baseline interview or any updated details that had been provided since. The research team used phone contact as a first option. Three attempts were made to call the respondent. If a respondent did not answer calls, a message was left to indicate the nature of the call, a number for the respondent to contact the research team and advice that the research team would try to contact them again. If a mobile number had been provided a text was also sent to the respondent. Where the phone was disconnected or the respondent was not responding to messages, and an e-mail or address details had been provided, a standard e-mail and/or letter was sent.

If the participant failed to respond or still could not be located then any secondary contacts nominated by the participant at the Baseline Survey were contacted (e.g. family, friends, support workers etc). Where new contact information was provided this was then followed up. If the participant had signed a Release of Information form

providing consent for the research team to obtain their current contact details from Centrelink and/or relevant state department of housing, and other avenues were not forthcoming, then a request was placed with the relevant agency. Again, any new information was followed up. As the vast majority of respondents received welfare payments for at least part of the year, Centrelink was able to provide contact details for approximately 95 per cent of respondents for whom a request was placed. However, as few participants were in public housing the relevant department of housing was able to provide contact details for only a small number of clients.

For participants who could be reached a place and time for the Follow-up Survey was arranged. For interviewer safety reasons this was always in a public place. Respondents were provided with a $30 voucher to cover any costs involved in participating in the survey. If the time arranged was not within a day of the initial contact then the person who was to administer the survey would contact the respondent on the day prior to and/or of the survey to ensure that the participant was still able and willing to do the survey. If the respondent indicated they were no longer able to attend at the appointed day and/or time, where possible an alternate arrangement was made. Where a respondent failed to show up at the agreed place and time, the research team would endeavour to contact them and organise another interview. If the respondent did not show-up as agreed on three occasions, no further attempt was made to contact them.

2.6.3 Representativeness of Follow-up Survey sub-sample

In spite of the extensive process undertaken to maintain currency of contact information for Baseline Survey respondents, it is difficult to follow up persons who have been homeless or are at risk of homelessness. This introduces the potential for sample bias in the Follow-up Survey sample. Persons able to be contacted are more likely to have established more stable housing, introducing the potential both that these respondents had less complex needs initially, and/or that better outcomes have been achieved for this group. In two instances it was identified that the respondent was in prison and could not be contacted. Such scenarios create a potential positive bias in the change in outcomes for those who are able to participate in the survey. In other cases, respondents were contacted but unwilling to participate in the Follow-up Survey. The reason for non-participation was not routinely recorded and a multitude of reasons are possible. In a small number of instances the respondent declined on health grounds. Alternative scenarios might include employment, stable accommodation and/or changed personal cirumstances and a desire not to dwell on the period of homelessness. The lack of participation by those in these latter categories potentially creates a negative bias in terms of changes in outcomes.

It is not possible to determine the extent of these or other biases in the observed change in outcomes, or the extent that these potential biases are offsetting. It is possible, however, to examine the extent to which the characteristics of the Follow-up Survey respondents are representative of the characteristics of the complete Baseline Survey sample, providing some indication of potential bias. Characteristics examined are those that are linked to: risk of homelessness, such as Indigenous status; existence of physical illness or disability; mental health and drug and alcohol issues; and source of income. A Mann-Whitney test was conducted for equality of medians for two sub-samples: Baseline Survey respondents who participated in the Follow-up Survey and Baseline Survey respondents who did not. Table 5 reports the results for each of the three main cohorts (single men, single women and tenancy support), and for the three cohorts collectively.

Examination of Table 5 shows that it is not possible to reject the hypothesis of equality of median for most characteristics for all three cohorts. At the 5 per cent level, the

hypothesis is rejected for single men in relation to the highest level of educational attainment (P = 0.017) only. Unreported results show that of those who did not complete the Follow-up Survey, only 22 per cent had completed year 12 or above; in comparison, 50 per cent of Follow-up Survey respondents had completed year 12 or above. Given the positive relation between educational attainment and ability to find employment and maintain accommodation, this difference is indicative of a positive bias in outcomes for respondents to the Follow-up Survey compared with those for single men who did not participate in the Follow-up Survey.

For single women the hypothesis is rejected at the 5 per cent level for the amount of time in the previous year that the respondent received Newstart (P = 0.006) or sickness and disability benefits[6] (P = 0.046), and at the 10 per cent level for the existence of a long-term illness or physical disability (P = 0.053). Unreported results show that single women who completed the Follow-up Survey were more likely to have received Newstart benefits, but less likely to have received an illness or disability pension or have a long-term illness or disability. Again this potentially creates a positive bias in relation to outcomes for Follow-up Survey respondents.

For tenancy support respondents the hypothesis is rejected at the 5 per cent level in relation to the time in the respondent's life spent in precarious living circumstances (P = 0.018). Unreported results show that Follow-up Survey respondents were much more likely to have experienced previous periods of precarious living, with all having experienced at least one period and 38 per cent having spent ten years or more in precarious living circumstances. In comparison 29 per cent of those who did not participate in the Follow-up Survey had never lived in precarious circumstances and only 18 per cent had experienced more than ten years. The nature of any potential bias from this difference is not clear. When considering the total sample of single men, single women and tenancy support clients, Follow-up Survey respondents were more likely to have completed year 12 or above and less likely to have received a Sickness or Disability Support Pension (DSP), creating potential for positive bias in the overall sample examined.

[6] Newstart;an unemployment benefit paid to persons seeking employment. Disability Support Pension (DSP); a benefit paid to people assessed as having a long-term disability which precludes them from obtaining full-time employment. Sickness benefits are paid to people who require short-term assistance due to a medical incapacity.

Table 5: Comparability; Baseline Survey respondents who did/did not complete the Follow-up Survey (Mann-Whitney test)

	Single men	Single women	Tenancy support	Total
Sample size				
Follow-up Survey respondents	18	23	13	54
Baseline Survey respondents who did not participate in the Follow-up Survey	51	50	28	129
Characteristics assessed	**P-value**	**P-value**	**P-value**	**P-value**
Age	0.784	0.639	0.584	0.500
Dependent children	0.456	0.787	0.517	0.889
Indigenous	0.265	0.598	0.212	0.629
Highest level of education	0.017*	0.302	0.127	0.008*
Currently have a job	0.397	0.680	0.950	0.907
When last worked for at least two weeks in a job of 35 hours or more a week	0.806	0.137	0.631	0.207
Long-standing physical health condition, illness, disability	0.163	0.053	0.094	0.808
Require support for a mental health condition	0.635	0.257	0.789	0.226
Require support for a drug and alcohol issue	0.768	0.165	0.693	0.386
Total current income	0.381	0.925	0.496	0.331
Time in previous year received Newstart benefits	0.820	0.006*	0.719	0.149
Time in previous year received sickness or disability support payments	0.227	0.046*	0.526	0.020*
Time in life spent in homelessness or precarious living circumstances	0.094	0.362	0.018*	0.651

* Significant difference of medians at the 5 per cent level.

2.7 The relation between homelessness support, use of non-homelessness services and cost offsets

The Client Survey provides primary data surrounding the characteristics, circumstances and outcomes of clients of specialist homelessness services, including their use of non-homelessness services both at the time of entering a period of support and after 12 months. The data on respondent use of non-homelessness services informed a preliminary response to Research Question 1, as outlined in the AHURI Baseline Report (Zaretzky et al. 2013):

> To what extent and in what ways are homeless people and those at risk of homelessness heavy users of non-homelessness services and what savings (or cost offsets) might accrue to government programs as a result of reduced utilisation of non-homelessness services.

Two approaches were taken. First, non-homelessness service utilisation rates from the Baseline Survey were compared with rates for the Australian population to show the extent to which clients of these homelessness services were heavy users of the non-homelessness services examined. Unit costs were then applied to the utilisation rates to examine the difference in cost to government of non-homelessness service use by persons at risk of homelessness, on average, compared with the Australian population. This difference represents the potential savings (or cost offsets) that might accrue to government if the non-homelessness service use of persons at risk of homelessness could be reduced to that of the average Australian population. Such savings are referred to as 'population' offsets.

These 'population' offsets represent an upper boundary to achievable offsets, as the range of issues typically faced by persons at risk of homelessness, such as physical and mental health issues and low educational attainment, mean that it is unlikely that their use of non-homelessness services will reduce, on average, to be equivalent to the Australian population. Therefore, an in-sample comparison was applied to provide a second more conservative estimate of potential savings or cost offsets. The in-sample comparison was made for health and justice service utilisation only. When considering the other cost offsets; the number of respondents with a main income source other than welfare payments, with children being placed in care due to unstable accommodation circumstances, or having experienced an eviction event from public housing in the previous year, was too small to undertake this comparison. The in-sample cost-offset was defined as the average cost of health and justice service use by persons who had experienced a period of homelessness during the previous year minus the average cost of health and justice service use by those respondents who had not experienced a period of homelessness in the previous year[7]. This estimate was seen as more conservative as, although it was not possible to say that all relevant characteristics of those persons who had experienced homelessness were not significantly different from those of respondents who had not experienced homelessness, the difference was not as great as when comparing the respondent population with the general Australian population.

Research Question 1 is examined further in this Final Report with reference to both the Baseline and Follow-up surveys and addresses the following:

> What savings or (cost offsets) may accrue to government programs as a result of reduced utilisation of health, justice, income and welfare support programs? In what ways may service utilisation actually increase as a result of improved assistance to homelessness people and what are the long-term benefits of such increased assistance?

We extend the analysis of cost offsets in the Baseline Report by examining the change in the cost of utilisation of non-homelessness services for the matched sample of respondents to the Baseline and Follow-up surveys. Compared with the two approaches taken in the AHURI Baseline Report, this approach has the advantage of looking at utilisation for the same respondents, both prior to and post the period of homelessness support. It is still not possible to conclude that the observed difference relates solely to the period of homelessness support. A range of characteristics and issues will affect respondents' change in outcomes. However, the Follow-up Survey provides evidence that the vast majority (81.0%) of respondents considered the period of homelessness support had been very important, and a further 13.8 per cent considered it important (see Section 3.6). This provides evidence that although the period of support may not be the only factor influencing respondent outcomes, and the

[7] Homelessness was defined to exclude living in crisis or short-term supported accommodation.

associated cost to government of non-homelessness services, it was likely to be a major contributing factor. Thus, the approach taken in the Final Report provides the measure of potential cost offsets most closely aligned to the actual change in government cost of non-homelessness services that might be observed as a result of the provision of homelessness support.

This approach was also examined in Flatau et al. (2008). However, due to the very small size of the follow-up sample results were presented for the complete follow-up sample without analysis by cohort. Here the follow-up sample for clients of single men's, single women's and tenancy support services were of sufficient workable size to present this analysis by cohort as well as for all respondents in the matched sample. Due to the different patterns of non-homelessness service utilisation observed for the different cohorts, this provides valuable new information regarding potential cost offsets and cost increases in the area of non-homelessness services.

It should be noted that although the sample size is workable, it is small and point estimates should be treated with caution. The estimated change in use of non-homelessness services is based on self-reported survey data and is subject to sample bias. This sample bias stems both from the agencies and associated services that agreed to participate in the study, and from the clients who participated in both the Baseline and Follow-up surveys. Conclusions from the findings should be in relation to the direction in change in costs and the relative magnitude. Also, the observed change in use of non-homelessness services is over the short to medium term, including non-homelessness service use while the period of support was occurring and for up to one year following the conclusion of the period of support. It should not be viewed as indicative of longer-term outcomes. It is possible that in the short to medium term the cost to government of non-homelessness support increases but, as health and justice issues stabilise or are dealt with, the cost decreases again into the longer term. Further research involving longer follow-up periods and larger samples is required to examine these issues.

A major innovation in this Final Report is that as well as examining the mean change in non-homelessness service utilisation and the associated cost to government, it also addresses attributes of the distribution of service utilisation and the associated change in utilisation. This recognises that the distribution of service utilisation is typically skew, with a lower limit of zero. Thus, the mean cost of non-homelessness services per client is heavily influenced by respondents who report a high level of utilisation. These costs are real and should not be ignored. However, it is also important to examine the extent to which mean costs are influenced by a relatively small proportion of all respondents, and the more 'typical' cost. The approach taken to estimate the value of cost offsets and distribution is discussed further below.

Whilst a decrease in the cost to government of non-homelessness service use pre- and post-support would represent an offset to the cost of homelessness support; it is also possible that the cost to government of non-homelessness services will increase, rather than decrease. Homelessness support services take a holistic view of assisting clients to maintain stable accommodation, including assisting them to obtain appropriate assistance for physical and mental health issues, drug and alcohol problems, to deal with domestic/family violence and other ongoing justice issues, to obtain a stable source of income and manage their finances and a range of tenancy issues. In the course of doing this it is possible that contact with health services will increase, providing clients with better health outcomes. For example, a number of respondents reported that they had been newly diagnosed with mental health issues during the 12 months prior to the Follow-up Survey. Addressing these issues would potentially require access to mental health practitioners in order to obtain a positive

outcome for the client and increase the possibility of being able to maintain stable housing. It is also possible that contact with justice services will increase. For example, where a person complies with the terms of their parole instead of not doing so; or they follow through with an ongoing issue in court. In the case where service utilisation increases, there is no cost-offset. The cost to government, at least in the short-term, is higher by the cost of this increased service utilisation.

Cost offsets are presented for single men, single women and tenancy support clients. The sample size for street-to-home and day centre clients is too small to examine cost offsets for these cohorts. Non-homelessness services examined are: health; contacts with justice; welfare payments net of taxation receipts; and eviction. No respondents in the matched sample had children placed in care due to unstable accommodation circumstances during the 12 months prior to the Baseline or the Follow-up Survey, so it was not possible to estimate a cost offset. The incidence of children being placed in care in the complete baseline sample was also very low.

2.7.1 Health, justice and welfare offsets

Health, justice and welfare payment cost offsets are discussed below. For each, the cost offset per respondent is estimated as:

> The average cost of non-homelessness service utilisation during the 12 months prior to the Follow-up Survey.
>
> Minus
>
> The average cost of non-homelessness service utilisation during the 12 months prior to the Baseline Survey.

The average cost of service utilisation in the 12 months prior to each survey wave was calculated across the matched sample of respondents from the Baseline and Follow-up surveys who provided all required information at both survey waves in relation to the issue being examined. In the case of health services, this represented the complete Follow-up Survey sample. Two respondents did not provide justice service utilisation responses at the point of the Baseline Survey, and these respondents were not included in the matched sample when considering justice offsets. Similarly, two respondents did not provide all the required information in relation to welfare payments and taxation and are not included in the matched sample when estimating the related cost offsets.

The unit cost per health and justice contact and for welfare payments represents the cost to government in 2010–11 dollars. This corresponds to the cost/incident applied in the AHURI Baseline Report and provides comparability with both Baseline Report outcomes and the primary data collected from agencies regarding the cost of providing support. See the AHURI Baseline Report for details of the method and data used to calculate the government cost per incident.

The calculations in relation to health and justice costs are very similar to those presented in the AHURI Baseline Report. The primary difference relates to the comparison group used in each case. The welfare offset calculation presented in this Final Report is quite different to that presented in the Baseline Report. The Baseline Report examined the potential welfare offset if the employment rate for those respondents who were classified as in the workforce was to be equivalent to the Australian population on average. Being in the workforce was defined as those who were employed or receiving Newstart, or those with no income source and looking for work. Potential taxation receipts were based on average Australian wages, and a sensitivity analysis was presented based on the minimum wage. The analysis was

based on employment status and main income source at the point of the Baseline Survey. No adjustment was made for the possibility that respondents receiving any other type of welfare payment, such as DSP, would enter the workforce, and there was no recognition that respondents might move between income sources over a period of time.

These limitations were predominantly due to the limited population data available to define the counterfactual. Labour force statistics are typically reported at a point in time and limited information is available in relation to the average time over a year welfare payments are received or the probability of welfare payment recipients transferring between alternative payment categories. The monthly income source data collected as part of both the Baseline and Follow-up surveys means these data limitations do not apply when comparing welfare payments and taxation receipts in the baseline and follow-up periods. The analysis presented here incorporates this richer data source.

Cost offsets relating to welfare payments represent any saving to government that arise from respondents entering the workforce as a consequence of receiving homelessness assistance and access to more stable accommodation, as well as the effect of respondents changing the category of welfare payment they received as their main income source and any reduction in the time spent on average with no income. Where a respondent enters the workforce, the cost to government is affected by both a decrease in welfare payments and potentially an increase in taxation receipts. Taxation receipts can also be affected by the average number of hours per week worked by respondents and the average weekly earnings of respondents.

In order to estimate the impact of these changes on the cost to government, respondents were asked in each survey wave to provide details of their main income source each half-month for the previous 12 months. This provided more detailed information than was available by just observing their status at a point in time, as in some cases the main income source changed a number of times in that period. This information was used to determine, for each of the baseline and follow-up periods, the cost to government for welfare payments and any offsetting taxation receipts for the matched sample of respondents who provided all relevant information. Where the main income source was a government payment, it was assumed that the respondent was receiving the maximum payment given their marital status and number of dependent children. This was seen as a reasonable assumption, as only two respondents reported receiving both Newstart and a wage/salary in the same time period, and for each it was for a short period of time. Therefore it was unlikely that a significant proportion of respondents would be receiving sufficient additional income to cause their welfare payment to be reduced below the maximum.

In order to estimate taxation receipts, where the main income source was income or wages, respondents were asked to provide details of the amount of income received. Respondents were asked to provide the gross income. Where this was not known, net income was recorded. The respondent's imputed annual income was then calculated, considering both wages/salary income and welfare payments. This was used to impute the taxation liability, based on 2010–11 taxation rates, taking into account the low income rebate. No other rebates were considered. Given the small number of respondents who reported their main income source as wages/salaries over this period, the comparatively low annual income earned by the majority of respondents and the associated low imputed taxation liability, conclusions are unlikely to be sensitive to this assumption.

To estimate the potential cost offset; the value of imputed taxation liability was deducted from the total value of government benefits paid to compute 'Net welfare

payments'. The potential cost offset is represented by the change in 'Net welfare payments'.

Health service use associate with a period of homelessness support

As discussed above, homelessness support involves a holistic view of clients' needs and may result in an increase in contact with non-homelessness services in order to address ongoing issues affecting a client's ability to maintain stable accommodation. Flatau et al. (2008) provided preliminary evidence that health costs across an entire follow-up sample of respondents was higher after the period of homelessness support than prior to that support. Wilhelm et al. (2012) also found that for prior rough sleepers health costs were higher in the first two years after they were housed.

We specifically address this issue and provide further insight into where health service utilisation increases in conjunction with a period of homelessness support and associated costs. To do this, respondents were asked whether any of the contacts they had with health services in the previous 12 months were part of a support plan associated with either supported accommodation or tenancy support, and the number of each of these contact types that were associated with a period of homelessness support. As discussed above, it is also possible that an increase in contact with justice services occurs as part of a support plan and addressing ongoing issues. This was not specifically addressed in the survey.

Distribution of health and justice service use and cost

Prior studies into the cost of non-homelessness service use typically examine the average cost of providing these services. Given the comparatively small sample sizes, the average incidence of health service utilisation and contact with justice services, and associated cost, is influenced by the skew nature of the distribution and individuals with very high use of high-cost services in either the baseline or follow-up period or both. We provide new information on the distribution of health and justice service costs, the extent to which the mean cost is influenced by a small number of individuals and the cost of non-homelessness services for the 'typical' client.

This issue is addressed in two ways. First, by reporting on the nature of the distribution for each element of health and justice contact type. Second, by calculating for each respondent (a) the total cost of health and justice services used by that respondent, referred to as 'Total respondent health cost' and 'Total respondent justice cost', respectively; and (b) the change in total health cost and the change in total justice cost for each respondent, referred to as the 'Change in total respondent health cost' and 'Change in total respondent justice cost', respectively. The method to calculate these total costs and the change in these costs is as follows.

- For the 'Total respondent health cost', the 12-month period prior to each of the Baseline Survey and Follow-up Survey the total cost of reported health service contacts is determined for each health contact type and summed to provide the total cost to government of health services used by that respondent in that 12-month period.
- The 'Change in total respondent health cost' is then calculated for each respondent as the 'Total respondent health cost' during the 12 months prior to the Follow-up Survey minus the 'Total respondent health cost' in the 12 months prior to the Baseline Survey.
- 'Total respondent justice cost' and 'Change in total respondent justice cost' are calculated in the same manner.

When considering the individual health and justice services, distribution statistics are presented to examine: (1) central tendency; the mean and median; (2) the range of

observations around the measure of central tendency; standard deviation, minimum and maximum observations and the inter-quartile range; and (3) whether the hypothesis that observations are normally distributed can be rejected; skewness and kurtosis. The measure of kurtosis presented is defined to equal zero for a normal distribution.

The issue of high average health and justice service costs being driven by a comparatively small number of individuals is examined further through examination of box plots displaying the distribution of reported contacts in the previous 12 months for each health service and justice service examined. The box plots display the median, upper and lower quartile range and outliers. Outliers are labelled by respondent survey number, as allocated at the time of the Baseline Survey. This provides visual representation of outliers and identification of where respondents report very heavy use either of an individual service or more than one type of service. It also provides visual representation of whether that heavy use was consistent across both 12-month periods.

When considering 'Total respondent health cost' and 'Total respondent justice cost', and the change in each, the 5 per cent trimmed mean is presented in addition to distribution statistics presented for individual services. The 5 per cent trimmed mean represents the mean after excluding the top and bottom 5 per cent of observations. As the cost in each period has a lower limit of zero, the 5 per cent of lower values that are excluded would typically not be considered outliers, but the 5 per cent of upper values that are excluded would represent outliers. Where the trimmed mean is of most relevance is in examining the change in total cost, as both extreme positive and negative values are observed and this statistic estimates the mean change once these extreme changes are excluded.

The distribution of total health and justice costs per respondent, and the change in those costs, is also presented visually for each cohort using box-plots as described above in relation to use of individual services. In addition, the distribution of total respondent health and justice costs for each of the Baseline and Follow-up periods is graphed. The distribution of 'Total respondent health cost' for each cohort is displayed against the Australian population average cost of health services examined in this study (see Zaretzky et al. 2013), and the mean 'Total respondent health cost' for the Baseline and the Follow-up periods. Corresponding graphs are also presented in relation to justice costs. These graphs allow visualisation of the manner in which the distribution of these costs changes when comparing the period prior to homelessness support with the subsequent period, and the way in which that relates to the observed change in the mean cost of non-homelessness services. The graphs also provide a visual representation of the extent to which health and justice service costs exceed the Australian population on average, both prior to and post the period of homelessness support.

Differences in health and justice service cost based on Indigenous status and experience of homelessness in previous 12 months

Baseline Survey findings discussed in the AHURI Baseline Report suggest that the pattern of health and justice service utilisation is different for Indigenous and non-Indigenous clients of homelessness programs, and is also affected by whether a period of homelessness[8] was experienced in the 12 months prior to support. Due to the small sample sizes, and evidence that the distribution of non-homelessness

[8] Homelessness is defined here as excluding a period living in crisis or short-term supported accommodation.

service use is typically not normal, the spearman rank correlation is used to provide further insight into these issues.

Only 13 per cent of the Follow-up Survey sample (seven respondents) from single men's, single women's and tenancy support services were Indigenous. Therefore, it was not possible to examine the relation between non-homelessness service use and Indigenous status by cohort. Baseline Survey results show a common pattern across all cohorts based on Indigenous status: persons who identify as Indigenous reported lower use of health services and higher use of justice services on average than those who did not identify as Indigenous. Therefore the spearmen rank correlation between Indigenous status, 'Total respondent health cost', 'Total respondent justice cost' and the change in these costs, was estimated across the complete matched sample for which these statistics were available.

Baseline Survey results suggest that the relation between health and justice service use and whether a period of homelessness was experienced in the previous 12 months was markedly different for each cohort. Although sample sizes were small, the number of respondents experiencing a period of homelessness in the previous 12 months, and the number not experiencing a period of homelessness, was sufficiently large for the single men's and single women's cohorts to undertake a separate analysis for each cohort. When considering tenancy support clients, the spearman rank correlation for this cohort was presented, but it should be noted that only three respondents from the matched sample reported having experienced homelessness in the 12 months prior to the Baseline Survey, and only two respondents reported this in the 12 months prior to the Follow-up Survey.

2.7.2 Eviction offsets

No respondents in the matched sample had experienced an eviction event from public housing in the 12 months prior to either the Baseline or Follow-up Survey. Therefore it was not possible to directly estimate a cost-offset relating to evictions. However, this in part might relate to the very small proportion of respondents who had a public tenancy in the baseline period.

Baseline Survey results show that where a respondent from services for single men or single women did have a public tenancy in the baseline period, the rate of eviction was high: 50 per cent for men and 17 per cent for women who attended these services. No public housing eviction events were reported for tenancy support clients. Given the markedly higher proportion of respondents from services for single men and single women who had lived in public housing in the 12 months following support compared with the period prior to support, it is likely that the fact that no respondents from these cohorts reported an eviction event after receiving support is a positive outcome with an associated cost-offset. Therefore an eviction offset was estimated for single men and single women, and the offset was incorporated in the sensitivity analysis. The eviction offset calculation assumes that without support the eviction rate for single men and single women who had a public tenancy in the follow-up period would have been equivalent to that observed in the complete Baseline Survey sample for the respective cohort.

2.7.3 Total cost offsets and sensitivity analysis

The base case estimate of the total change in the cost of non-homelessness services for each cohort was calculated as the total of mean health, justice and welfare offsets. The distribution of health and justice offsets suggests that, although these costs are real, they may be sample dependent and may also not be representative of the total cost for the 'typical' client of homelessness services. Also, there is the possibility that although an eviction offset is not able to be directly observed, one does exist for

services targeting single men and single women. A sensitivity analysis provides evidence of sensitivity of conclusions regarding the direction and magnitude of the change in government cost of non-homelessness services to each of these issues. The scenarios consider health and justice offsets based on the 5 per cent trimmed mean and the median, as well as inclusion of the eviction offset.

2.8 The cost of providing specialist homelessness services

Research Question 2 is examined by providing both a top-down and a bottom-up estimate of both the recurrent and capital cost to government of providing homelessness support. Specialist homelessness services examined in the study were primarily funded by Commonwealth and state governments and delivered by NGOs. The cost to government of providing the services consists of: recurrent funding provided to the NGO service providers; costs incurred within government departments to administer the programs; and the capital cost of providing client accommodation. Cost measures incorporating all three of these component costs are presented based on a top-down estimate of funding estimated from publicly available and government data, and a bottom-up estimate of the cost of providing support using primary data collected from the agencies and associated services that participated in the study via the Agency Survey. Data from the Agency Survey is also used to provide evidence of the cost structure of the participating homelessness services and the extent to which they subsidise government funding, and so to estimate the total cost of participating services including non-government income sources. Data regarding activity levels is also collected. The cost estimates presented are: total program cost; cost per client day; and cost per client.

It should be noted that programs are not equivalent, nor are they equivalent across jurisdictions. Accordingly, it is not expected that the cost per client will be equivalent either across programs or jurisdictions for the same program. Comparison of cost per client should not be made across programs and it should also not be made between programs operated in different jurisdictions. Programs differ in the type and intensity of support provided and the length of a period of support, even when considering the same program type operating in different jurisdictions. Also the manner in which the number of clients is calculated differs between jurisdictions and programs. A number of data limitations are also noted, as discussed below and in Chapter 6. Therefore, all cost estimates reported in this report should be treated as indicative, and the average cost per client should be viewed as instructive for the purposes of examining the cost–benefit of programs examined only.

2.8.1 Top-down cost estimate of specialist homelessness services

The top-down estimate of the cost of specialist homelessness services is reported separately for supported accommodation services in each of the three states where these services participated in the study (NSW, Vic and WA), the average across these three states and for Australia. The cost of providing tenancy support and street-to-home services was estimated separately for each state participating in the study. For tenancy support services this was Victoria, South Australia and Western Australia. For street-to-home services this was NSW and Western Australia. The cost of street-to-home services was also provided by South Australia and is included in the discussion. For tenancy support and street-to-home the average cost across these states is also presented, but data were not collected to provide an average across Australia.

Our base measure of program cost is the direct recurrent funding provided by government to NGO service providers. This measure is the most objective. However, it excludes the other potentially significant sources of cost incurred in program delivery. The recurrent cost of providing specialist homelessness services is

predominantly met through government program funding: that being, NAHA and NPAH. The majority of this funding is allocated to the NGOs that deliver these services. However, this does not represent the total of government funding to assist those at risk of homelessness, nor does government funding necessarily equate to the total cost of providing these services. We examine the following components of government funding for specialist homelessness services in order to provide as complete an estimate as possible of the total cost of providing these services for the four intervention points examined:

1. NAHA and NPAH funding allocated to NGO service providers.
2. State and territory funding to assist with service viability of SAAP like services.
3. NAHA and NPAH funding not allocated to agencies, allocated to administration, training, and so forth.
4. The opportunity cost of capital employed by government to provide supported accommodation to clients.
5. The government cost of maintenance for properties used for supported accommodation.
6. Other costs to government for programs that assist persons at risk of homelessness but are not incorporated within the NAHA and NPAH framework, for example, financial hardship loans and bond schemes.

The estimated total cost of a period of homelessness support per client day and per client is presented incorporating cost items 1 to 5. Cost item 6, the cost of programs outside the NAHA and NPAH framework, is addressed as discussion only.

The top-down cost of providing homelessness services at the four intervention points is examined using a number of different data sources, as discussed below.

Recurrent funding, including additional state and territory funding

Supported accommodation programs

Funding for these programs occurs primarily under the NAHA. For the 2010–11 year recurrent government funding and details of activity levels are reported in the SAAP NDC data published by the AIHW, and the Report on Government Services (RoGS). These publicly available sources provide data on a state-by-state basis; on total funding and total number of clients; and on closed support periods and days of support provided for supported accommodation services delivered across Australia. Although funding occurs primarily under the NAHA, some states and territories provide additional funding to assist with service viability and/or SAAP like activities over and above the funding provided by the NAHA agreement (SCRGSP 2012). Total funding is presented based on agreement (NAHA) funding only, and on the total allocation to agencies delivering specialist homelessness services including additional state and territory funding. Funding per support period, per client and per client day is estimated in relation to the total allocation only.

Funding information is not available by target group, for example for supported accommodation services for single men. Therefore, the total program funding reported from these sources and the associated funding per client, per support period and per client day represents the average funding across all services incorporated in the data collection. A request was also placed with the AIHW to provide information regarding funding and client numbers for specialist homelessness services targeting single men and single women. AIHW advised that they were not able to provide this information.

The method to calculate funding per client, cost per support period and cost per client day follows that used by RoGS. Funding per client is based on the total number of clients accessing support during the period, including ongoing clients. In contrast, funding per support period is based on the total number of closed support periods over the period. This creates a downward bias in the reported funding per client compared with the funding per support period, as discussed in more detail at Section 6.2.1.

There are also a number of data limitations that should be considered. Since the commencement of the NPAH in mid-2009, the SAAP NDC has included an increasing number of services funded under the NPAH, in addition to those funded under NAHA. It is not possible to determine from publicly available data the extent to which this occurred in the 2010–11 year, or the effect this had on statistics reported. However, funding and client numbers for NPAH programs are typically small compared with NAHA programs, and many new NPAH programs did not commence until during 2010. Therefore, although total funding and total activity levels will reflect any NPAH services that were incorporated, the effect on estimated funding per client and cost per client day is likely to be small. It should also be noted that the type of services provided under NAHA, treatment of expenditure items, and data related to supported accommodation differs by jurisdiction. For example, in Victoria much of the specialist homelessness accommodation is provided through the complementary Transitional Housing Management (THM) program, which collects data separately to the SAAP NDC. As such, accommodation related data in Victoria is not recorded in the SAAP NDC in a way that is consistent with the other states and territories (AIHW 2011a).

Tenancy support programs and street-to-home

These programs are primarily funded under the NPAH. Some publicly available data regarding activity levels for these programs is provided in departmental annual reports, the NPAH Annual Report provided to FaHCSIA by each state government and in the recently published evaluations of NPAH programs undertaken by the Office of the Auditor General in some states. However, these data are not available for all states, nor is it always consistent across publications. Further, funding data are generally not publicly available. Government departments were requested to provide information regarding funding provided for tenancy support and street-to-home programs under NPAH and activity levels. In addition, the WA Department of Housing was asked to provide data on the SHAP public tenancy support program funded through that department separately to the NPAH. A literature search was also conducted in an attempt to find any relevant data relating to funding for tenancy support and street-to-home programs and the cost per client.

2.8.2 The opportunity cost of capital

Programs providing supported accommodation for single men and single women, as well as street-to-home programs, provide both client support services and accommodation. For these programs, the total government cost of providing support includes both recurrent funding plus the cost to government of capital invested in properties available for client accommodation. Government funding for properties available for client accommodation in the pre-NAHA environment was through the CAP. Funding for these properties has continued under NAHA. These properties are referred to here as CAP properties.

Some properties are also owned by the agencies delivering the homeless support program, either funded entirely by that agency or jointly funded through the government and the agency. To determine the cost to government of capital employed, we focused on the value of CAP-funded properties. The value of agency

funded properties is discussed when examining the bottom-up estimate of the cost of support using data collected via the Agency Survey.

The annual cost of providing accommodation to clients is primarily the opportunity cost of having funds invested in the properties, referred to as the user cost of capital.

The cost of capital per night of accommodation support is defined as:

(Average capital value per unit of accommodation * user cost of capital)/365.

The cost of capital per client is defined as:

(Average capital value per unit of accommodation * user cost of capital)/(total clients assisted).

A unit of accommodation is defined as a unit of accommodation suitable to accommodate one client, with accompanying children if applicable.

The average capital value of a unit of accommodation used to provide supported accommodation was estimated across the three states where supported accommodation services were included in the study: namely, NSW, Victoria and Western Australia. A data request was placed with the relevant state government department in each of these states for the number of CAP accommodation units by accommodation type, and either the total value of CAP accommodation by accommodation type or the average value of accom-modation units by accommodation type.

Accommodation available to specialist homelessness services is a mixture of hostel accommodation, units, bed-sits and houses. Typically one client will be accommodated in each non-hostel accommodation unit. When considering hostels, the number of clients that can be accommodated is determined by the number of beds, or sometimes by the number of rooms. For example, in a hostel that is used to provide accommodation for single women with accompanying children, each room in the hostel may have more than one bed and a room may be used to accommodate one client with accompanying children.

Ideally, to estimate the average capital value of an accommodation unit across all accommodation types, information would be available relating to the number of hostel accommodation units, the number of bed-sits, units and houses, and the associated average value of a hostel accommodation unit, and of bed-sits, units and houses. However, each state government department provided data in a slightly different form. Victoria and WA were able to provide information relating to the number of hostel beds. The calculated average cost per accommodation unit implicitly assumes that one hostel bed in these states is equivalent to one unit of accommodation, creating an upward bias on the number of available accommodation units. NSW provided information on the total number of CAP properties, with no indication of the number of hostel beds. The calculated average cost per accommodation unit implicitly assumes that one hostel property is equivalent to one accommodation unit, creating a downward bias on the number of available accommodation units. It was not possible to determine the extent to which these two effects are offsetting. Therefore the estimated average value of a unit of accommodation and associated cost of capital per night should be treated as a rough guide to the cost of capital employed.

The Productivity Commission includes a user cost of capital when determining the full cost of government services, such as correctional services, where the full cost is defined as recurrent cost plus capital cost. The Commission states that ‘the user cost

of capital makes explicit the opportunity cost of this capital (the return forgone by using the funds to deliver services rather than investing them elsewhere or using them to retire debt)' (SCRGSP 2012).

The user cost of capital applied by the Productivity Commission of 8 per cent is used here as the user cost of capital and applied to estimate the cost of capital employed. An alternative approach considered was to use the current cost of government debt used to finance properties, plant and equipment. However, examination of the financial statements of each of the relevant state government departments suggested that due to the variety of financing and interest rate arrangements entered into over time between different government bodies, including subsidised interest arrangements, the data available was not suitable to determine the cost of debt more directly.

The other issue affecting the cost of capital per client night of support is the occupancy rate. Where all accommodation units are occupied, a direct relation will exist between the number of 'units of accommodation' and the number of nights of client support provided. However, if services operate at less than capacity given the number of 'units of accommodation' available, a higher vacancy rate will result in a correspondingly higher cost of capital per client night, as the fixed cost of providing accommodation is spread over a smaller number of clients. As SAAP data collection indicates that services are operating to capacity and are unable to completely meet the demand for accommodation (AIHW 2011f), a direct relation is assumed between 'units of accommodation' and nights of client support provided.

2.8.3 Other recurrent costs to government

The government incurs a range of costs in relation to providing support to persons at risk of homelessness in addition to recurrent funding provided to agencies to operate specialist homelessness services. The cost categories considered here and data sources are:

- Funding under the NAHA that is not allocated to agencies, but is instead used to provide administration services, training, research and evaluation. The RoGS provides details of the proportion of total NAHA funding allocated to these types of services. This information is used to estimate the dollar value of administration costs for supported accommodation services, and associated cost per client and per client day for supported accommodation services. Discussion with government departments suggest that these types of costs are also incurred in relation to tenancy support and street-to-home programs, but no information is available on the associated cost for these programs. To provide an estimate of the cost of these programs inclusive of administration costs, it is assumed that these costs represent the same proportion of total program funding as is observed for supported accommodation services.
- Cost of maintaining and managing CAP properties. NSW provided details of the annual cost of maintaining CAP properties. It is assumed that the cost of managing properties is similar across states.
- Cost of other programs used by persons at risk of homelessness. In addition to specialist homelessness programs, a range of other programs are accessed by persons at risk of homelessness, such as rental bond schemes, assistance to pay utility bills and financial counselling. It is not possible to determine the extent to which these programs are used by clients of specialist homelessness services and the cost of these services are not incorporated into estimates of the cost of providing homelessness support. However, they do represent a cost to government associated with assisting to prevent a period of homelessness. A

literature search is used to identify a sample of these services and to inform discussion regarding the nature of assistance provided and an indication of the cost of a typical incidence of these types of support.

2.8.4 Bottom-up estimate of the cost of providing support

Although publicly available information is a useful starting point, it provides the average cost across all services provided in the states included in the study. As noted previously, actual services delivered under each program vary by the client cohort and the nature and intensity of support. This top-down approach does not provide a complete picture of the total costs for services participating in the study and providing the range of services accessed by respondents to the Client Survey. The process of collecting information to estimate a bottom-up unit cost of providing support provides more informative cost estimates (Pinkey & Ewing 2006). It allows for more de-aggregation of costs by client cohort than is available from public information and provides information relating to the cost structure of services and non-government resources used in providing homelessness services.

The Agency Survey

Following Flatau et al. (2008), in order to develop a bottom-up estimate of the cost of providing support, detailed information was collected directly from the agencies and services participating in the study via a survey referred to as the Agency Survey. As noted in the 2008 study, there is no obvious source of costing information which could be used to derive unit costs using a bottom-up approach (Pinkey & Ewing 2006; Estill & Associates 2006). Except for the bottom-up costing for the WA services examined in Flatau et al. (2008) we were not able to find any other sources that suggest that this situation has changed. The primary data collected here and the bottom-up costs derived from it are drawn from services operating across the four states and include services introduced with the NPAH. These cost estimates represent a significant contribution in addition to the information on the cost of WA services provided in Flatau et al. (2008), and provide a more rounded view of costs and cost drivers.

The Agency Survey collected primary data on the profile of the agencies and associated services participating in the study, as well as information relating to the number of clients assisted and the cost of assisting these clients. The survey was sent to agencies in July 2011 with a request to be completed and returned by 30 September 2011. The data requested in the survey related to the 2010–11 financial year.

The Agency Survey was sent to all agencies still participating in the Baseline Survey at the time the Agency Survey was conducted. It consisted of two parts. Part 1 related to the agency itself and addressed issues relating to the overall size of the agency, total funding for services participating in the study, the proportion of those funds maintained at the agency level to provide centralised functions, such as IT and Human Resources support, and the proportion of the agency's total budget that related to homelessness programs.

Part 2 of the Agency Survey related directly to the services participating in the study. For each service operated by the agency, data were gathered on:

- The number of clients by cohort and support type, the associated number of support periods, and the average length of a support period. Client cohorts were defined as: male; female; and couples. Support type was defined as: receiving supported accommodation; receiving outreach support only; and 'one-off assistance', for example, phone contacts where a person was referred to another service.

- Details of available accommodation, where provided. This included the type and quantity of available accommodation, and who owned or provided the accommodation. Where the accommodation was owned or part owned by the agency, the capital value was also requested.
- Details of recurrent funding and any capital funding from government during the 2010–11 financial year. Also, details of grants and donations and financial support provided to the service by the agency in addition to government funding.
- A breakdown of the service's operating costs, plus any operating revenue such as rent received from clients.
- Employee numbers, categorised by property management, service delivery non-specialised (e.g., case workers), service delivery specialised (e.g., mental health practitioner) and management/administration.

The Agency Survey sample

Detail regarding the Agency Survey sample is provided in Table 6. Of the 18 agencies that originally agreed to participate in the Baseline Survey, 17 agencies with 29 associated services were still participating when the Agency Survey was conducted. All were requested to complete the Agency Survey. The survey was distributed to agencies in July 2012 and requested data for financial year 2010–11. Originally agencies were requested to complete the survey by 30 September 2011. The research team devoted considerable time following up agencies and clarifying information provided. Several extensions of the due date were granted to allow for the finalisation of financial year information and for the capacity of agency staff to devote resources to the survey. The final data submission occurred in February 2012. The Agency Survey was completed by ten agencies. Eight of these provided agency level data and service level data were provided for 16 associated services. The services covered all target groups: four single men's services; five single women's services; one mixed service providing assistance to single men and single women; four tenancy support services; and two street-to-home services. The client profile for the mixed service was approximately 50 per cent men and 50 per cent women. This provided a small but workable sample to obtain indicative information.

Data from the Agency Survey was used to provide a bottom-up estimate of all income sources available to the specialist homelessness services participating in the survey; the total recurrent cost per client and per client day of providing the service, including both government and non-government income sources; and the proportion of that total cost met by government recurrent funding. It was also used to provide a picture of the cost structure of services, providing a breakdown of expenditure by major cost category. The average cost of providing support was estimated separately for supported accommodation services for single men; supported accommodation services for single women; tenancy support services; and street-to-home services.

Table 6: The Agency Survey sample

	Number
Agencies approached	17
Agencies returning surveys	10
Agencies providing agency level data	8
Associated services approached	29
Services providing data, by support type	
Single men	4
Single women	5
Single men and women	1
Tenancy support	4
Street-to-home	2
Total services	16

The data collected via the Agency Survey provided adequate detail to examine average costs for a particular service and target group only. Advice from service providers indicated that it was not practical to extract data to examine costs based on more detailed cost drivers, for example on complexity of client needs or length of support period. It was also not practical to identify the different activities undertaken by the agency and separate costings for each activity. For example, one service operated a hostel with a small number of beds allocated to high turnover clients who stayed one or two nights, plus a number of beds allocated to clients with longer support periods. However, it was not possible to extract costs separately for each client group and therefore not possible to determine a cost per client for each client group. Rather, an average cost per client was determined and the cost per client day is based therefore on a weighted average length of support periods. These limitations of available data to identify more detailed cost drivers and estimate the associated unit costs were also noted by Baldry et al. (2012).

The Agency Survey also provided information relating to properties employed in providing supported accommodation. Although most properties were CAP funded, or equivalent, a number of properties were owned by agencies providing specialist homelessness services, either wholly or through a joint venture or partnership arrangement with government. The cost of capital employed by the agencies does not represent a cost to government. However, it does represent a non-government funded resource to the sector, and as such is included when determining a total cost of service provision.

The primary research question relates to the cost to government of providing specialist homelessness services. The approach taken to address this for participating services, using data from the Agency Survey, is as follows:

- → The total recurrent cost of support provided by participating services is estimated; calculated as the recurrent cost per client and recurrent cost per client day.
- → The cost of capital employed in providing client accommodation is estimated. The opportunity cost of capital is based on the value of CAP properties and the associated cost of capital per night (see Section 2.8.2). To estimate the opportunity cost of capital per client day this is adjusted for the proportion of clients accommodated as part of the period of support. To estimate the

opportunity cost of capital per client it is also adjusted by the average length of a period of supported accommodation.

- The total cost to government at the service level is estimated by adjusting the total cost incurred by services for the proportion of both recurrent and capital funding sourced from government program funding.
- Finally, an estimate of additional government administration costs and the cost of managing and maintaining CAP properties is added to provide an estimate of the total cost to government corresponding to the total top-down cost. The estimated value of these cost items is based on the corresponding top-down cost estimates. It should be noted that the estimate of these additional government costs is based on a comparatively small amount of information and should be treated as indicative only.

2.9 The benefits and whole of government cost of homelessness programs

Research Question 3 relates to the benefits and the net costs of assisting people at risk of homelessness. The potential benefits of homelessness programs accrue to the clients of these programs through improved outcomes; and government through reduced client use of non-homelessness services as a result of improved outcomes and the cost savings associated with the reduction in utilisation. Benefits also accrue to associates and family of the people assisted and to society as a whole. Examination of these latter benefits is outside the scope of this study.

The benefits of homelessness programs for program clients is examined by comparing, for the Follow-up Survey sample, client circumstances and outcomes reported in the Follow-up Survey and in the Baseline Survey. A range of both housing and non-housing outcomes was examined. It should be noted that this comparison addressed short- to medium-term outcomes. A longer follow-up period was required to assess long-term outcomes and was outside the scope of this study. The value of these outcome changes is difficult to measure in dollar terms. Benefits accrue to the individual receiving assistance and to society as a whole from a more stable community environment.

The change in outcomes, and any associated change in utilisation of non-homelessness services, also results in a change in the cost to government of non-homelessness services. The method employed to estimate the value to government of the change in use of non-homelessness services is examined at Section 2.7 in relation to Research Question 1. To the extent that these changes result in a decrease in the cost to government, this represents a potential benefit to government and provides a cost offset to the cost of homelessness assistance.

The Australian Government's White Paper on homelessness (FaHCSIA 2008) emphasises the importance of service integration in assisting persons to achieve holistic improvement in outcomes. However, services are still largely funded individually, and it is difficult to obtain a measure of the whole of government cost of providing support. Research Question 3 addresses this issue. The whole of government cost of providing homelessness support is examined by bringing together the findings in relation to Research Question 2, the recurrent and capital cost to government incurred in operating homelessness programs, and the findings in relation to Research Question 1, the effect on cost to government of any change in non-homelessness service use as a consequence of a period of homelessness support.

The whole of government cost of providing homelessness assistance is defined as:

The government cost per client of delivering the homelessness program.
Plus
The change in government cost per client of non-homelessness services.

Where the change in non-homelessness service cost is a decrease, this will represent a cost offset that will at least in part offset the cost of providing homelessness support. It is also possible that the use of non-homelessness services and associated costs increase during and after a period of homelessness support. Where this is the result of appropriate treatment of issues affecting the client's ability to maintain stable accommodation, this increase in cost is viewed as part of the whole of government cost of homelessness support and the resultant whole of government cost will be greater than the cost of the homelessness program.

The base case estimate of the whole of government cost of homelessness support refers to the top-down estimate of the cost of providing support plus the base case estimate of the value of the change in government cost of non-homelessness services (mean change in the value of health and justice services and net welfare payments).

A sensitivity analysis considers sensitivity of conclusions to both the top-down estimate of the cost of providing homelessness services and the base case value of the change in government cost of non-homelessness services.

Data limitations noted in relation to each individual cost estimate also apply to the estimate of whole of government costs. The whole of government cost estimates should be treated with caution and be viewed as indicative of the direction and relative magnitude of costs, not as point estimates. Significantly more robust data and further research is required if these costs are to be estimated with any level of accuracy.

The calculation of program cost net of the change in non-homelessness costs assumes that the level of funding for non-homelessness programs will change as a result of the change in demand. Alternatively, if funding for these services remains stable, the change in utilisation by persons at risk of homelessness will affect the level of overall demand, and thus the ability of the non-homelessness services to meet the needs of the wider population in an appropriate manner.

The calculation also implicitly assumes that the observed change in the cost of non-homelessness services examined relates to the period of homelessness support and changes in people's lives that are directly associated with that support. People have a range of factors impacting on their lives at any one time. Any of these may affect a person's vulnerability to homelessness and their contact with both homelessness and non-homelessness services. The observed change in the cost of non-homelessness services may overstate or understate the extent to which these costs have changed as a result of homelessness assistance. Given the range of potential factors and the small sample size it was not possible to control for these factors. Again, further research is required to validate the findings.

2.10 Administrative data sets

One of the objectives under the NAHA strategy is to achieve improved information technology systems to assist integration between homelessness services and mainstream services. This is seen as important to facilitate reporting against COAG's performance indicators (FaHCSIA 2008). The availability of integrated databases is also important to facilitate research into the homelessness sector. Studies such as the current one provide limited data for a comparatively small sub-set of people accessing

homelessness services. Service utilisation and other data are self-reported and therefore subject to error, and the task of conducting surveys consumes a large amount of time and is comparatively expensive. Development of improved and integrated systems would vastly improve data availability and integrity at a comparatively low ongoing cost.

Presently there are two major sources of information regarding people who are homeless: (1) the ABS Census of Population and Housing conducted every five years, which provides estimates of the number of people who are homeless; and (2) the Specialist Homelessness Services (SHS) collection (formerly the SAAP National Data Collection). This provides information on clients of Specialist Homelessness Services funded services, including demographic data, services provided and where people go when they stop receiving assistance. However, these services come in touch with only 19 per cent of people who are homeless on any given day (FaHCSIA 2008).

To understand better the pathways through service systems for people who are homeless, the Australian Government piloted a data linkage project across child protection, homelessness and criminal justice services (AIHW 2008, 2012). The Australian Institute of Health and Welfare study linked three community-sector data collections: SAAP, juvenile justice supervision and child protection notifications and substantiations in Victoria and Tasmania. The project demonstrated that linking these collections was feasible and produced new insights into the links between the juvenile justice system, the child protection system and homelessness.

There is no established linked administrative data in any jurisdiction which links homelessness administrative data to other relevant administrative data sets. The richest linked administrative available in any jurisdiction is the WA linked administrative data which includes administrative data from a large range of health and other unit record data sets. Western Australia has been at the national forefront of linking population data sets, and is internationally recognised for its data linkage expertise, technology and service delivery. While originally set up for health and medical research, the Data Linkage system now incorporates a range of data sets from a range of sources including WA Health, the WA Drug and Alcohol Office, WA Government electoral role for core data sets, and some linking of data from other agencies including Corrective Services and the WA Department of Education. Data linkage in WA is managed by the WA Department of Health, which liaises with the data custodians for the various health related datasets available for data linkage. The WA data linkage system has the capacity to link other external data sets (e.g. homelessness and housing tenancy data) using a process that de-identifies the data once linked to ensure an individual's privacy. It remains the first port of call in relation to future research studies seeking to use linked administrative data to examine the relationship between homelessness and other government service systems.

3 CLIENT PROFILE AND OUTCOMES

3.1 Introduction

This chapter presents findings from the 12-month Follow-up Survey. Its prime focus is on client outcomes 12 months after the commencement of homelessness support, compared with their position at the point of the Baseline Survey and entry into homelessness support. The change of circumstance between survey points provides an indication of what can be termed medium-term client outcomes, as distinct from the short-term outcomes reported in the annual AIHW reporting on Specialist Homelessness Services. Complete results for the Baseline Survey sample are presented in the AHURI Baseline Report (Zaretzky et al. 2013).

As discussed in Chapter 2, the sample sizes for single men (n=18), single women (n=23) and tenancy support groups (n=13), while small, is sufficiently large to allow for qualified analysis of change in outcomes. Importantly, when interpreting the results, it is relevant to know that in most instances it is not possible to reject the hypothesis that the characteristics of the sub-sample of respondents participating in both the Baseline and the Follow-up surveys is the same as the complete Baseline Survey sample. For these cohorts, therefore, it is reasonable to interpret the study results presented here as indicative for the relevant cohort from the Baseline Survey. The sample size for street-to-home (n=4) and day centre (n=3) clients is obviously very small and no inferences can be made from reported client outcomes for these two groups. These cohorts are included in the discussion at various points for completeness of information only.

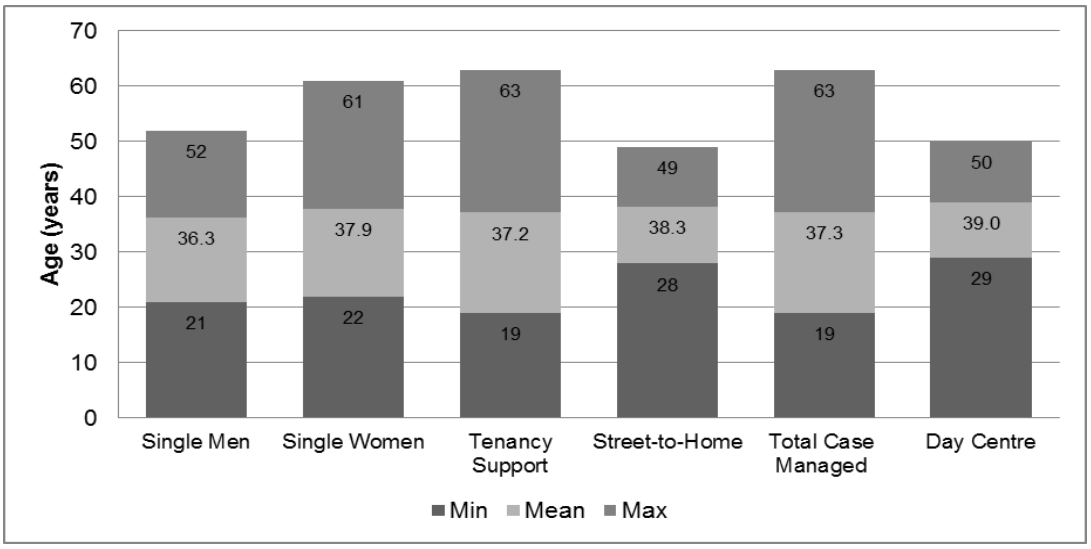
This chapter is structured in the following way. We begin with a socio-demographic profile of the different cohort groups. In Sections 3.3 and 3.4, we provide a profile of the housing and homelessness histories and outcomes and labour market outcomes of respondents. We then turn in Section 3.5 to physical and mental health and well-being outcomes and cover a range of other issues in Section 3.6.

3.2 Socio-demographic profile

As with the complete sample for the Baseline Survey, persons who responded to both the Baseline and Follow-up surveys have a diverse range of backgrounds, life experiences and carry with them a broad range of personal issues.

Participants in the Follow-up Survey ranged in age from 19 to 63 years. The range of ages was greater for clients of single men's, single women's and tenancy support services, than street-to-home and day centre clients. However, the average age of between 36.3 and 39 years was very similar across all cohorts (see Figure 1).

Figure 1: Age range and mean, by support type



As reported in Table 7, the majority of respondents were single both at the time of the Baseline Survey and then again at the Follow-up Survey. The greatest degree of change in relationship status occurred for single women, where there was a significant decrease in the percentage of respondents reporting being single (falling from 60.9% to 47.8%), and a corresponding significant increase in the number of respondents who reported being married or in a de-facto relationship in the Follow-up Survey (26% married or de facto, compared with no respondents reporting this in the Baseline Survey).

Table 8 provides details of the cultural background of respondents. Consistent with findings from the AIHW Specialist Homelessness Services collection, approximately 74 per cent of case managed and 67 per cent of day centre clients were born in Australia. Only a small proportion was born in non-English speaking countries, except in the case of single women's services, where 17.3 per cent were born in non-English speaking countries.

Across case managed respondents, 12 per cent identified as Indigenous. The highest proportion of respondents identifying as Indigenous were from single women's services, at 17.3 per cent. Overall, the proportion of Follow-up Survey respondents identifying as Indigenous was very similar to the complete Baseline Survey sample. Of the complete baseline sample 13.3 per cent of all case managed clients identified as Indigenous. However, the proportion of single men who completed both survey waves and identified as Indigenous was higher (11.1%) than in the complete Baseline Survey sample (5.6%), and the proportion of tenancy support clients was lower (7.7%) than in the complete Baseline Survey sample (17.5%).

Overall, nearly 50 per cent of case managed respondents had left school prior to completing Year 12. Post school qualifications were primarily TAFE/trade certificate based, with 32.8 per cent of all case managed respondents reporting this as their highest level of qualification. A comparatively high (26.1%) proportion of single women respondents reported having a Bachelor Degree. This compares with just 5.6 per cent of single men and no respondents from the other cohorts. This pattern of educational attainment is consistent with that reported for the complete Baseline Survey.

Approximately 24 per cent of case managed respondents completed some type of qualification over the 12 months between the Baseline and the Follow-up surveys. These were reasonably evenly spread between Certificate 3/4 qualifications, industry based qualifications and other unspecified types.

Table 7: Demographic profile of respondents, by support type

	Single men		Single women		Tenancy support		Street-to-home		Total case managed		Day centre	
	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up
	%	%	%	%	%	%	%	%	%	%	%	%
Gender												
Male	100		0.0		51.4		100		41.4		100.0	
Female	0		100.0		48.6		0.0		58.6		0.0	
Marital status												
Currently married	5.6	0.0	0.0	4.3	15.4	23.1	0.0	0.0	5.2	6.9	0.0	0.0
Separated	0.0	0.0	26.1	13.0	30.8	23.1	25.0	0.0	19.0	10.3	33.3	33.3
Divorced	16.7	16.7	4.3	13.0	0.0	7.7	0.0	0.0	6.9	12.1	33.3	0.0
De-facto relationship	5.6	0.0	0.0	21.7	0.0	0.0	0.0	0.0	1.7	8.6	0.0	0.0
Single	72.2	83.3	60.9	47.8	53.8	46.2	75.0	100.0	63.8	62.1	33.3	67.7
Other	0.0	0.0	4.3	0.0	0.0	0.0	0.0	0.0	1.7	0.0	0.0	0.0
Refused	0.0	0.0	4.3	0.0	0.0	0.0	0.0	0.0	1.7	0.0	0.0	0.0
Dependent children												
Yes	5.6	11.8	43.5	47.8	46.2	53.8	25.0	25.0	31.0	36.8	0.0	0.0
No	94.4	88.2	56.5	52.2	53.8	46.2	75.0	75.0	69.0	63.2	100.0	100.0
Children accompanying during support												
Yes	0.0		34.6		38.5		0.0		22.4		0.0	
No	100.0		65.4		61.5		100.0		77.6		100.0	

Table 8: Cultural background of respondents, by support type

	Single men	Single women	Tenancy support	Street-to-home	Total case managed	Day centre
	%	%	%	%	%	%
Cultural background						
Australian, not Indigenous	72.2	47.8	69.2	75.0	62.1	33.3
Indigenous	11.1	17.3	7.7	0.0	12.0	33.3
Total Australian	83.3	65.2	76.9	75.0	74.1	66.7
Other—English Speaking	11.1	17.3	15.4	25.0	15.4	33.3
Other—Non English Speaking	5.6	17.3	7.7	0.0	10.2	0.0
English speaking ability of persons born in non-English speaking country						
	(n=1)	(n=4)	(n=1)	(n=0)	(n=6)	(n=0)
Very Well	100.0	50.0	100.0		66.7	
Well	0.0	25.0	0.0		16.6	
Not well	0.0	25.0	0.0		16.6	

Table 9: Education at time of Baseline Survey and subsequent qualifications, by support type

	Single men	Single women	Tenancy support	Street-to-home	Total case managed	Day centre
	%	%	%	%	%	%
Highest level of education—Baseline Survey						
Primary school	0.0	0.0	7.7	50.0	5.2	0.0
Secondary/high school but did not complete Year 12	50.0	34.8	46.2	25.0	41.4	100.0
Completed secondary school (Year 12 equivalent)	11.1	4.3	15.4	0.0	8.6	0.0
TAFE/trade certificate/apprenticeship or similar	33.3	34.8	30.8	25.0	32.8	0.0
University Bachelor Degree or higher	5.6	26.1	0.0	0.0	12.1	0.0
Qualification obtained between Baseline and Follow-up reports						
Yes—Certificate 1/2	0.0	8.6	0.0	0.0	1.7	0.0
Yes—Certificate 3/4	0.0	8.6	7.7	0.0	6.8	0.0
Yes—industry based	22.2	0.0	7.7	0.0	8.5	0.0
Yes—other/unspecified	0.0	8.6	0.0	50.0	6.8	33.3
No	77.8	74.2	84.6	50.0	75.9	66.7

Figure 2 shows that the proportion of respondents enrolled in education over the 12 months prior to the Follow-up Survey was very similar to that during the 12 months prior to the Baseline Survey. There was a decrease in the proportion of single men enrolled in education (from 22.2% to 11.1%), and a small increase in the proportion of single women (from 40.9% to 43.5%) and in street-to-home clients. Single women reported the highest proportion of respondents who had been enrolled in education over the previous 12 months, both at the time of the Baseline and Follow-up surveys. This, in conjunction with the comparatively high level of education reported by single women at the time of the Baseline Survey, suggests that the educational profile of clients of single women's services differs markedly from that of other cohorts.

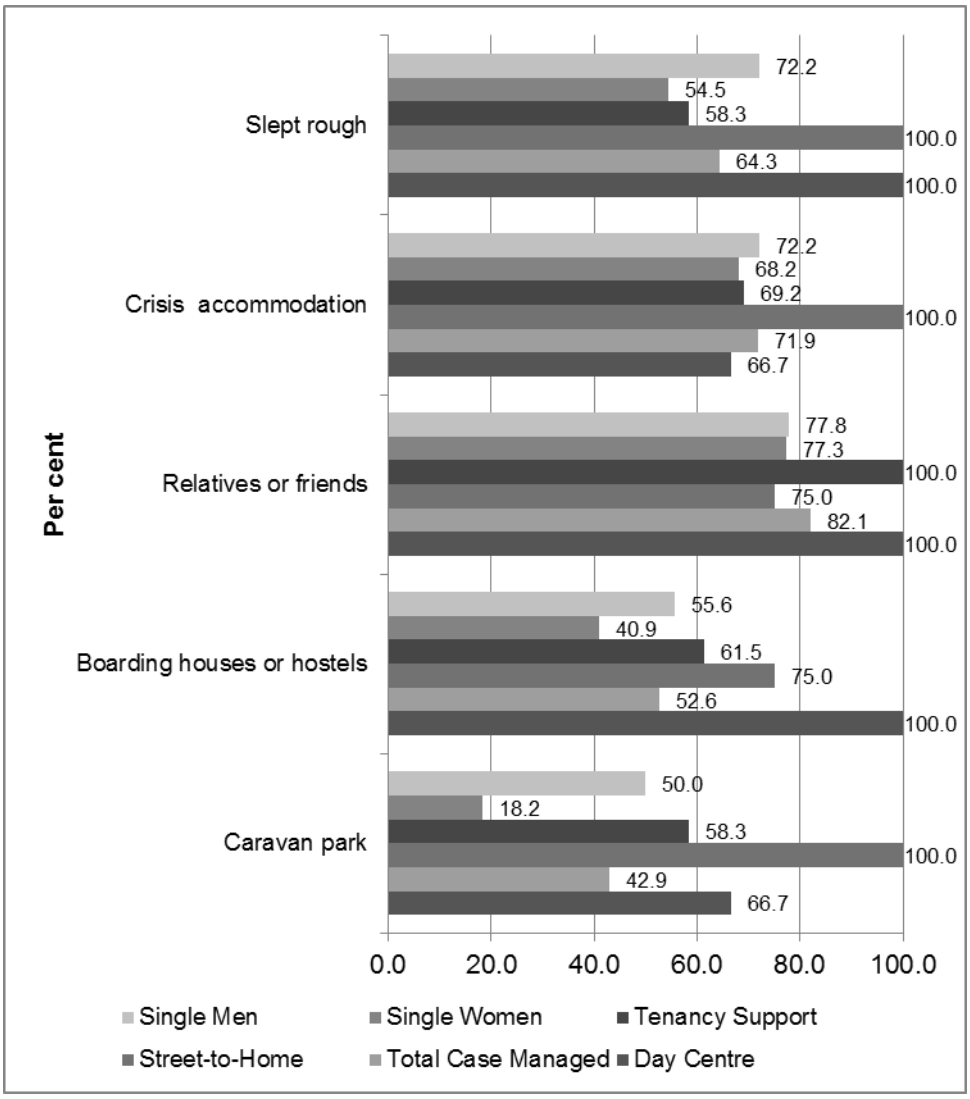
Figure 2: Enrolment in education in the 12 months prior to survey, by support type

3.3 Homelessness and housing profile and outcomes

As part of the Baseline and Follow-up surveys, respondents were asked about their prior periods of homelessness, the amount of time living in precarious circumstances and their age at the time of their first homelessness experience.

Figure 3 shows the lifetime prevalence of various states of homelessness for respondents of both the Baseline and Follow-up surveys. As with the complete sample for the Baseline Survey, the majority of respondents to both survey waves reported having spent time in at least one type of homeless state previously in their lives. Of all case managed clients: 64.3 per cent had slept rough; 71.9 per cent had spent time in SAAP or NAHA type crisis accommodation; 82.1 per cent had stayed with relatives or friends because they had nowhere else to go; 52.6 per cent had spent time in hostels or boarding houses; and 42.9 per cent had spent time living in a caravan park (excluding vacations). Street-to-home and day centre clients were more likely to have previously experienced each state of homelessness than clients of other service types. Clients of single men's services typically had experienced each state of homelessness more frequently than single women and tenancy support clients.

Figure 3: Lifetime prevalence of homelessness states, by support type



The average, youngest and oldest age at which respondents first experienced each state of homelessness is presented in Figure 4. The age of first experiencing homelessness varied across the cohorts and by homelessness state. However, the average age at which homelessness was first experienced was typically between 20 years of age and the early thirties. This is similar to the results reported for the complete Baseline Survey sample. As with the complete Baseline Survey sample, respondents experienced sleeping rough and staying with relatives or friends at a younger age, with the average age being 24 years for each of these states.

Respondents experienced living in crisis accommodation, boarding houses and caravan parks at a later age on average: respectively, 31 years, 28 years and 27 years. The youngest age at which homelessness was experienced for each cohort and homelessness state was typically during the early to mid-teenage years. However, one street-to-home client first experienced homelessness at age five, where they stayed with friends and relatives because they had nowhere else to go; one tenancy support client's first experience of homelessness was at age six, where they stayed in a caravan because they had nowhere else to go. Although the average age at which day centre clients first experienced homelessness was similar to the case managed clients, the first time at which homelessness was experienced, across all states of homelessness examined, was much later at 20 years of age.

Figure 4: Youngest, average (rounded) and oldest age of first homelessness experience, by homelessness state and support type

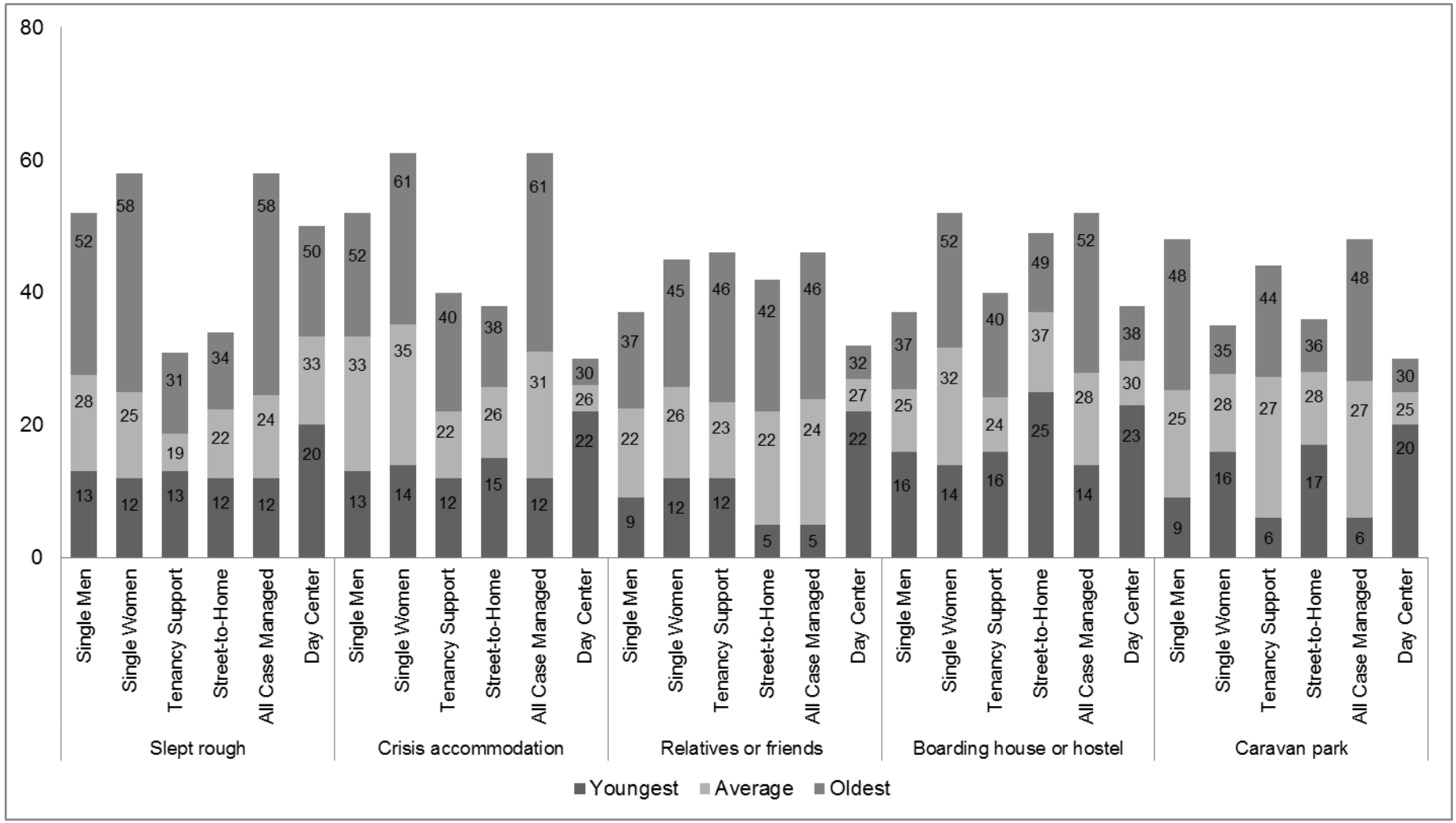
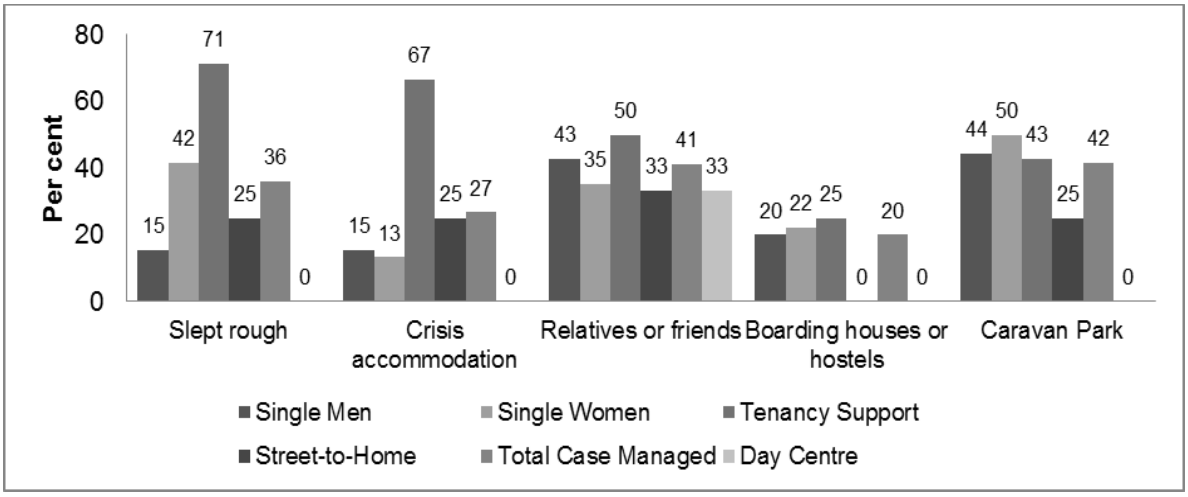


Figure 5: First homelessness experience before age 18, by homelessness state and support type



Many respondents reported that their first experience of homelessness occurred prior to the age of 18 (see Figure 5). Of those who had experienced this: 36 per cent had slept rough; around 40 per cent had stayed with relatives or in a caravan park because they had nowhere else to live; 27 per cent had stayed in crisis accommodation; and 20 per cent had lived in boarding houses or hostels. As with the complete Baseline Survey sample, generally a higher proportion of tenancy support respondents who had experienced each state of homelessness had done so prior to the age of 18. Of single men who responded to both the Baseline and the Follow-up surveys and had slept rough, only 15 per cent had done so before they turned 18, compared with 43 per cent of the complete Baseline Survey sample of clients of single men's services.

Day centre clients who responded to both surveys generally did not experience homelessness before age 18, except for staying with friends or relatives. In contrast, in the complete Baseline Survey sample, 18 per cent or greater of day centre clients who had experienced each state of homelessness had done so prior to age 18, and 50 per cent of day centre clients who had slept rough had done so prior turning 18.

A fundamental objective of Specialist Homelessness Services is to assist people to obtain and sustain stable permanent accommodation. The Report on Government Services states: 'Achievement of employment, an income and independent housing on exit are indicators of governments' objective to enable clients to participate as productive and self-reliant members of society at the end of their support period' (SCRGSP 2012).

Table 10 reports on respondents' accommodation circumstances immediately prior to the baseline period of support, at the time of the Baseline Survey, and at the time of the 12-month Follow-up Survey. Comparison of respondent accommodation circumstances prior to entering the period of support with their circumstances at the time of the Follow-up Survey provides an indication of medium-term success in helping clients to achieve the aim of long-term stable accommodation.

Table 10: Accommodation immediately prior to support, at the time of the Baseline Survey and at the 12-month Follow-up Survey, by support type

	Single men	Single women	Tenancy support	Street-to-home	Total case managed	Day centre
	%	%	%	%	%	%
Sleeping rough						
Immediately prior to support	33.3	9.5	0.0	25.0	16.0	66.7
At time of Baseline Survey	0.0	0.0	0.0	0.0	0.0	66.7
At time of 12-Month Follow-up Survey	0.0	0.0	0.0	25.0	1.7	0.0
*Temporary accommodation**						
Immediately prior to support	0.0	0.0	0.0	0.0	0.0	0.0
At time of Baseline Survey	16.7	0.0	0.0	0.0	5.6	33.3
At time of 12-month Follow-up Survey	0.0	0.0	0.0	0.0	0.0	0.0
*Short-term accommodation***						
Immediately prior to support	16.7	28.5	23.1	0.0	21.5	33.3
At time of Baseline Survey	0.0	0.0	0.0	0.0	0.0	0.0
At time of 12-month Follow-up Survey	22.3	0.0	7.7	0.0	8.5	66.7
*Institutional accommodation****						
Immediately prior to support	22.2	9.5	7.7	25.0	14.4	0.0
At time of Baseline Survey	0.0	0.0	0.0	0.0	0.0	0.0
At time of 12-month Follow-up Survey	5.6	0.0	0.0	0.0	1.7	0.0
Crisis/short-term SAAP/CAP/NAHA accommodation						
Immediately prior to support	0.0	19.0	0.0	50.0	10.7	0.0
At time of Baseline Survey	83.3	95.5	0.0	25.0	67.3	0.0
At time of 12-month Follow-up Survey	5.6	0.0	0.0	0.0	1.7	0.0
Medium- to long-term supported accommodation						
Immediately prior to support	0.0	0.0	0.0	0.0	0.0	0.0
At time of Baseline Survey	0.0	0.0	0.0	0.0	0.0	0.0
At time of 12-month Follow-up Survey	5.6	4.3	23.1	0.0	8.6	0.0
Purchasing/purchased own dwelling						
Immediately prior to support	0.0	9.5	0.0	0.0	3.6	0.0
At time of Baseline Survey	0.0	0.0	0.0	0.0	0.0	0.0
At time of 12-month Follow-up Survey	0.0	4.3	0.0	0.0	1.7	0.0
Private rental						
Immediately prior to support	11.1	9.5	23.1	0.0	12.5	0.0
At time of Baseline Survey	0.0	4.5	36.4	25.0	9.1	0.0
At time of 12-month Follow-up Survey	22.2	26.1	15.4	0.0	20.7	33.3

	Single men	Single women	Tenancy support	Street-to-home	Total case managed	Day centre
	%	%	%	%	%	%
Public or community housing						
Immediately prior to support	11.1	4.8	46.2	0.0	16.1	0.0
At time of Baseline Survey	0.0	0.0	63.6	50.0	18.2	0.0
At time of 12-month Follow-up Survey	33.3	65.2	53.9	75.0	53.5	0.0
Other accommodation						
Immediately prior to support	5.6	9.5	0.0	0.0	5.4	0.0
At time of Baseline Survey	0.0	0.0	0.0	0.0	0.0	0.0
At time of 12-month Follow-up Survey	5.6	0.0	0.0	0.0	1.7	0.0

* Temporary accommodation—living with extended family member or friend or acquaintance (excluding holiday stays).

** Short-term accommodation—caravan, boarding/lodge/rooming house (not long-term tenure), and hostel, hotel, motel.

*** Institutional accommodation—hospital facility, drug and alcohol facility, prison, transitional housing from a health/drug/alcohol/correctional facility.

Prior to receiving support 62.6 per cent of case managed respondents were homeless or in SAAP/NAHA short-term/crisis accommodation: sleeping rough (16.0%); in temporary accommodation such as hostels and caravan parks (21.5%); living in an institutional setting such as hospital or jail (14.4%); or in crisis accommodation (10.7%). Only 37.4 per cent were housed in longer-term accommodation, private rental (12.5%) or public or community housing (16.1%). The majority of these were clients of a tenancy support program, with 23.1 per cent of tenancy support respondents in private rental and 46.2 per cent in public or community housing. In comparison, at the time of the Follow-up Survey only 13.6 per cent of respondents reported being homeless or living in SAAP/NANH type crisis accommodation. The vast majority of respondents (84.5%) reported long-term accommodation outcomes: in long-term supported housing (8.6%); buying their own home (1.7%); in private rental (20.7%); or in public or community housing (53.5%).

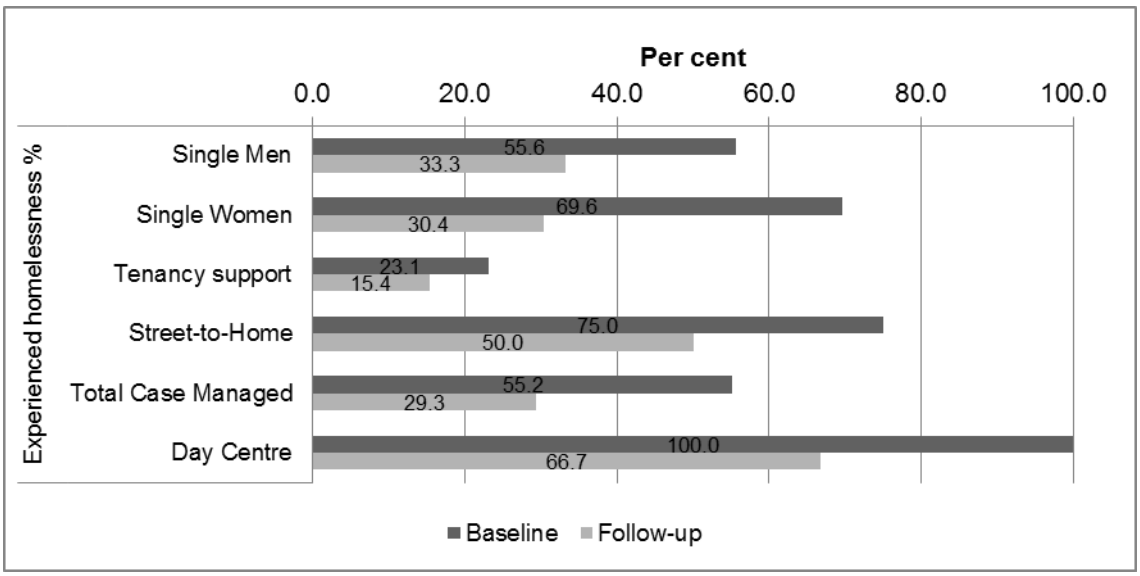
The proportion of respondents in public or community housing at the point of the Follow-up Survey was high across all case managed cohorts: 33.3 per cent of single men; 65.2 per cent of single women; 53.9 per cent of tenancy support clients; and 75.0 per cent of street-to-home clients. This change towards more stable accommodation circumstances represents a significant positive outcome for clients and is an indicator of services' success in assisting clients to achieve the objective of independent, stable accommodation. However, it should be noted that there is potential for sampling bias in relation to this outcome. It is likely that respondents with more stable accommodation circumstances were also those who were able to be located for the Follow-up Survey. In addition, respondents who were in institutionalised settings at the time of the Follow-up Survey were less likely to be contacted.

In addition to an improvement in accommodation circumstances by the point of the Follow-up Survey, examination of respondents' experiences of homelessness[9] during the 12 months prior to each survey (see Figures 6 to 8) also showed a marked decrease in both the proportion of persons experiencing homelessness and the average time spent in homelessness circumstances where they did experience homelessness. This further demonstrates positive outcomes in relation to the objective to assist people to obtain and sustain stable accommodation, and to reduce the instances of people cycling in and out of homelessness.

The proportion of respondents experiencing at least one period of homelessness in the previous 12 months reduced markedly across all cohorts (Figure 6), decreasing from 55.2 per cent of case managed clients in the 12 months prior to the Baseline Survey to 29.3 per cent in the 12 months prior to the Follow-up Survey. The largest decrease was for single women experiencing homelessness: from 69.6 per cent in the period prior to support to 30.4 per cent following support. In addition to fewer people experiencing homelessness in the 12 months following support, for those respondents who did experience homelessness the average time spent in homelessness circumstances decreased (Figure 7), with a reduction across all case managed respondents from 7.2 months/person to 5.5 months/person. Tenancy support clients experienced a slight increase in average time spent in homelessness circumstances, with an increase from 6.0 months to 6.8 months.

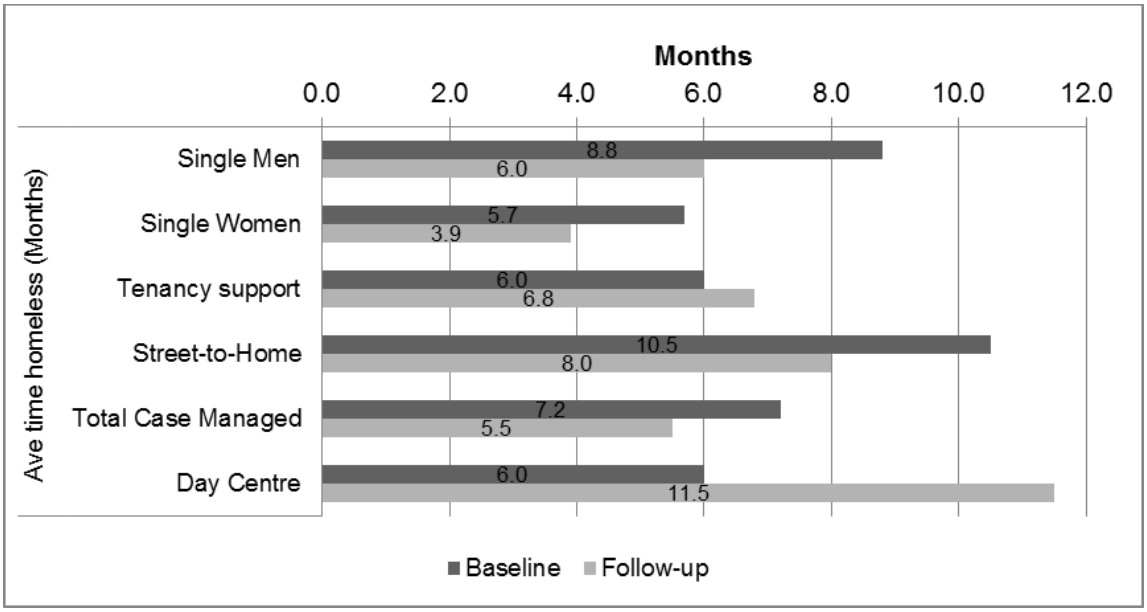
Correspondingly, the total months of homelessness experienced by all respondents in each cohort (including tenancy support) decreased (see Figure 8), such that across all case managed respondents the total months of homelessness experienced in the 12 months prior to the Follow-up Survey more than halved relative to that experienced prior to the Baseline Survey: from 228.0 months to 92.5 months. The only group that experienced an increase in total months spent in homelessness circumstances was day centre clients, where the proportion of respondents experiencing homelessness decreased, but the average time spent in homelessness circumstances, for those experiencing homelessness, was almost double. This may relate to the small sample size.

Figure 6: Experience of homelessness in the previous 12 months, by support type



[9] Where homelessness is defined as persons reporting they had slept rough, lived in temporary accommodation, such as with friend and relatives because they has nowhere else to go, or lived in short-term accommodation such as boarding houses, caravan parks and rooming houses.

Figure 7: Average months homeless in previous 12 months at Baseline and Follow-up surveys, given experienced homelessness



Number of respondents who experienced homelessness in previous 12 months (Baseline, Follow-up): Single men (n=10, 6); Single women (n=16, 7); Tenancy support (n=3, 2); Street-to-home (n=3, 2); Total case managed (n=32, 17); Day centre (n=3, 2).

Figure 8: Total months homeless in previous 12 months, by support type

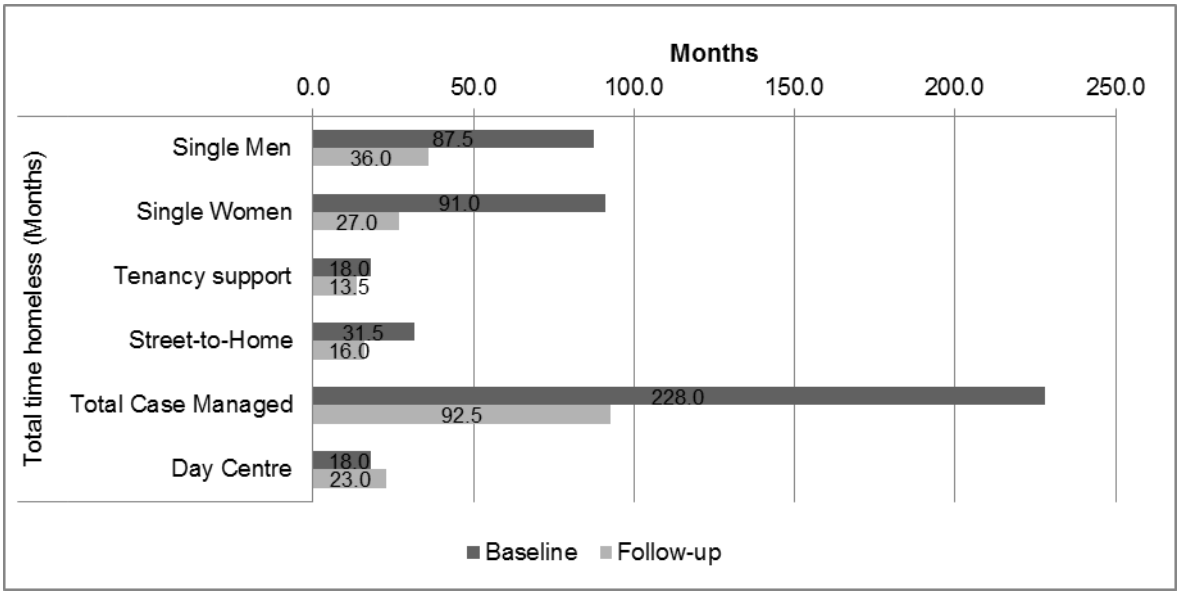


Figure 9: Lived in long-term stable accommodation in previous 12 months, by support type

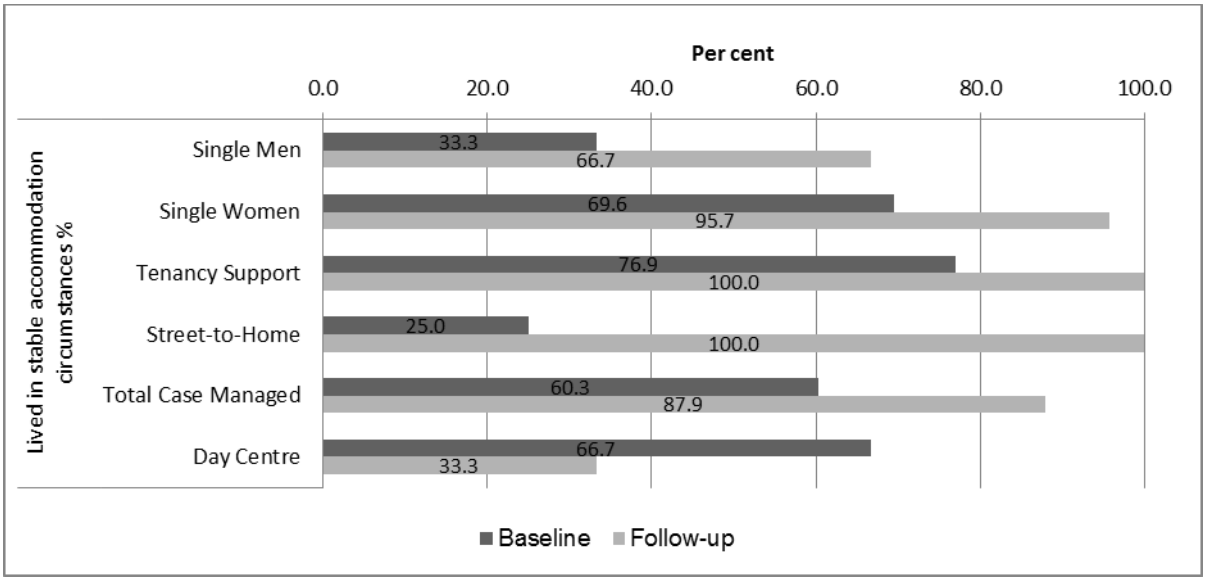
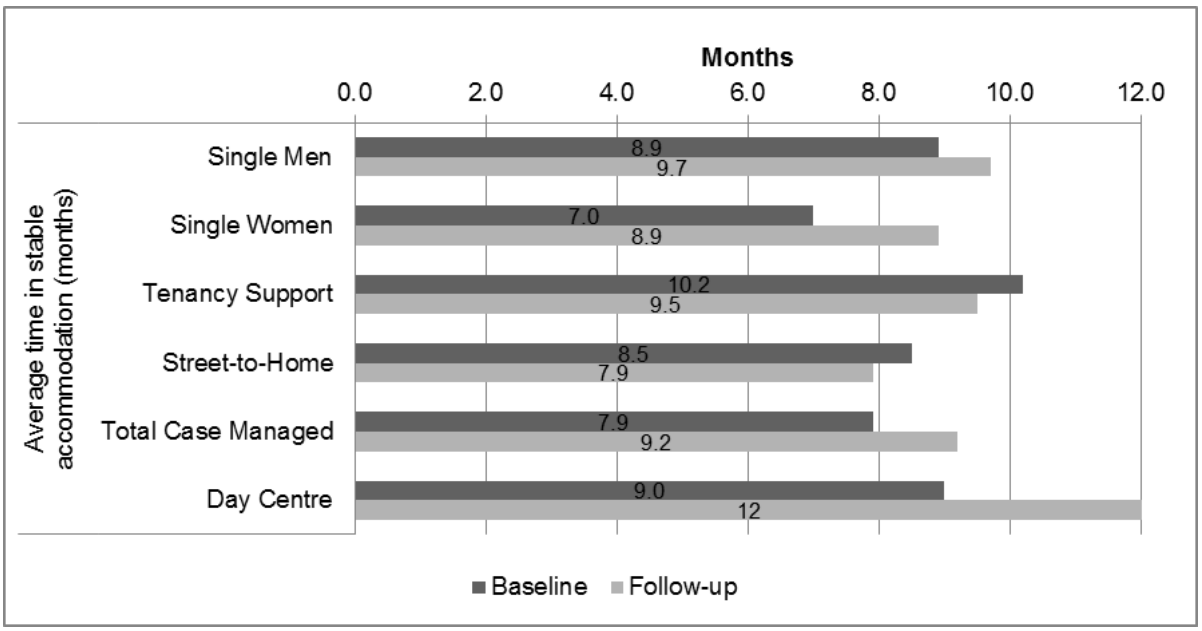
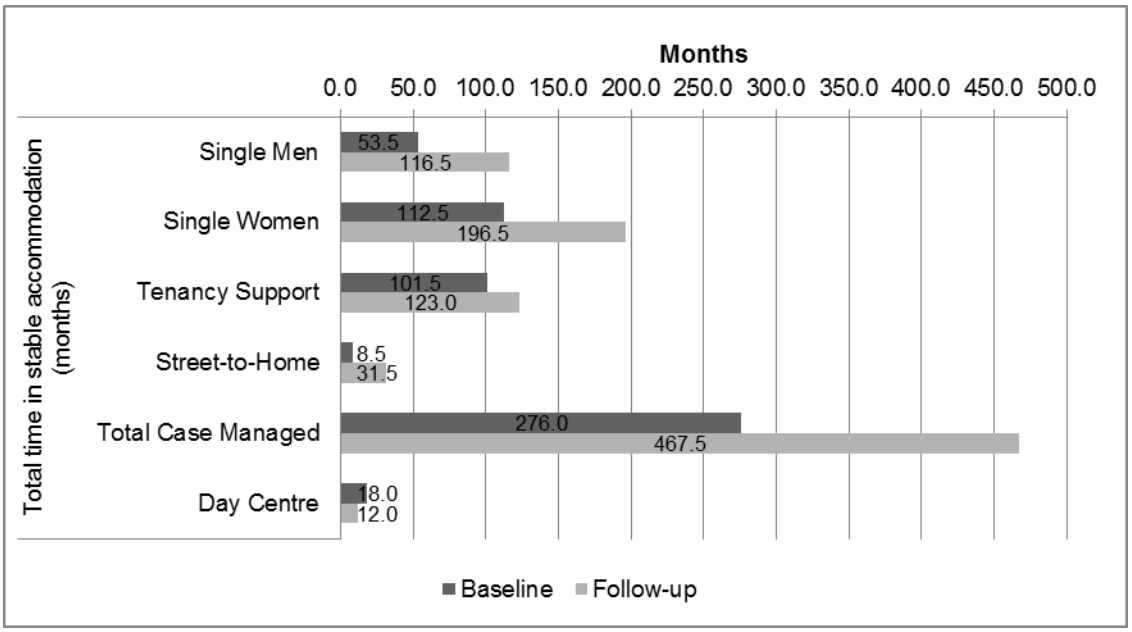


Figure 10: Average months in long-term stable accommodation, previous 12 months, given lived in long-term stable accommodation



Number of respondents who lived in long-term stable accommodation in previous 12 months (Baseline, Follow-up): Single men (n=6, 12); Single women (n=16, 22); Tenancy support (n=10, 13); Street-to-home (n=3, 4); Total case managed (n=35, 51); Day centre (n=2, 1).

Figure 11: Total months in long-term stable accommodation, previous 12 months



The positive impact of homelessness support on housing outcomes is also evidenced in an increase in the proportion of respondents having lived in stable accommodation circumstances (defined as living in public rental, community housing, private rental, purchasing their own home or living in the family home) in the previous 12 months at the point of the Follow-up Survey: increasing to 87.9 per cent of respondents, compared with 60.3 per cent of respondents at the Baseline Survey (Figure 9). A marked increase was reported across all cohorts, with the proportion of single men having lived in stable accommodation circumstances doubling from 33.3 to 66.7 per cent, and the proportion of single women increasing from 69.6 to 95.7 per cent.

For single men and single women who lived in stable accommodation circumstances during the previous 12 months, there was also a small increase in the average number of months spent living in such circumstances after support compared with prior to support (Figure 10). Tenancy support and street-to-home clients who lived in stable accommodation circumstances on average spent a slightly shorter time in those circumstances in the 12 months after the Baseline Survey. When considering the total months living in stable accommodation circumstances across all respondents in each cohort (Figure 11), an increase was observed for all cohorts with the total number of months living in such circumstances across all case managed respondents increasing by 70 per cent after the provision of homelessness support from 276.0 months to 467.5 months.

3.4 Labour market and income outcomes

As noted earlier, assisting clients to achieve employment and an income in addition to independent housing are seen as primary objectives of Specialist Homelessness Services. Respondents were asked about both their labour force status and income sources at the time of the Baseline and Follow-up Surveys, and related difficulties.

3.4.1 Labour market outcomes

The change in employment status for case managed clients was overall positive, with an increase in employment levels, participation in the labour force and hours worked per week.

As shown in Table 11, only 8.6 per cent of case managed respondents were employed at the point of the Baseline Survey and no day centre clients were employed. For case managed clients this had nearly doubled to 15.5 per cent at the point of the Follow-up Survey. The largest increase in employment was for single men where no respondents were employed at the point of the Baseline Survey but 16.7 per cent were employed at the point of the Follow-up Survey. Single women also displayed an increase in employment from 13.0 to 17.4 per cent. The level of employment did not change for tenancy support, street-to-home or day centre clients. The level of employment at the point of the Baseline Survey was similar to that reported for the complete baseline sample, where 7.0 per cent of all respondents were employed at that point.

Respondents were also asked if they were actively looking for work and if they were ready to start work. To be classified as employed a person must have worked an hour or more in the preceding week. Persons who were not employed and were actively looking for work and ready to start work were classified as unemployed. Where a person was not employed but failed to comply with both of the conditions for unemployment they were classified as not in the labour force.

Overall, the proportion of case managed respondents classified as unemployed increased from 31.0 per cent at the point of the Baseline Survey to 36.2 per cent at the Follow-up. At the same time the proportion classified as not in the labour force went down from 60.3 to 48.3 per cent. This means that a larger proportion of respondents were in the labour force at the point of the Follow-up Survey, compared with at the point of the Baseline Survey. This represents a positive outcome in terms of both employment and engagement with the labour force.

The largest increase in labour force participation rates was for single men, where the proportion not in the labour force decreased from 44.4 to 16.7 per cent. This was followed by street-to-home clients; however, no conclusions can be drawn in relation to this latter category because of the small numbers involved. A small (4.4%) increase in labour force participation was also observed for clients of single women’s services.

Table 11: Labour force status and hours worked at the point of survey, by support type

	Single men		Single women		Tenancy support		Street-to-home		Total case managed		Day centre	
	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up
	%	%	%	%	%	%	%	%	%	%	%	%
Labour force status (brief)												
Employed[a]	0.0	16.7	13.0	17.4	7.7	7.7	25.0	25	8.6	15.5	0.0	0
Not employed[b]	100.0	83.3	87.0	82.6	92.3	92.3	75.0	75.0	91.4	84.5	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Labour force status												
Employed[a]	0.0	16.7	13.0	17.4	7.7	7.7	25.0	25.0	8.6	15.5	0.0	0.0
Unemployed[c]	55.6	66.7	26.1	26.1	15.4	15.4	0.0	25.0	31.0	36.2	66.7	66.7
Not in labour force	44.4	16.7	60.9	56.5	76.9	76.9	75.0	50.0	60.3	48.3	33.3	33.3
Total	100.0	100.1	100.0	100.0	100.0	100.0	100.0	100.0	99.9	100.0	100.0	100.0
Hours worked where employed	(n=0)	(n=3)	(n=3)	(n=4)	(n=1)	(n=1)	(n=1)	(n=1)	(n=5)	(n=9)	(n=0)	(n=0)
Hours/week (Average)	n.a.	49.3	19.7	29.5	40.0	36.0	25.0	40.0	24.8	33.8	n.a.	n.a.

a. Employed persons are defined as those aged 15 or over who during the reference week: (1) Worked for one hour or more for pay, profit, commission or payment in kind in a job or business or on a farm (comprising employees, employers and own account workers); or (2) worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or (3) were employees who had a job but were not at work and were away from work for less than four weeks up to the end of the reference week, or away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four-week period to the end of the reference week, or were away from work as a standard work or shift arrangement, or were on strike or lockout or on workers compensation and expected to return to their job; or (4) were employees or own account workers who had a job, business or farm but were not at work.

b. Not employed persons are people not employed and comprise those who were unemployed and those not in the labour force (the latter are those who are neither classified as employed or unemployed).

c. Unemployed persons are defined as those aged 15 years of age and over, who were not employed during the reference week and actively looked for full- or part-time work at any time in the four weeks up to the end of the reference week and were available for work in the reference week.

n.a. Not applicable.

Table 12: Last in full-time employment, by support type

	Single men		Single women		Tenancy support		Street-to-home		Total case managed		Day centre	
	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up
	%	%	%	%	%	%	%	%	%	%	%	%
Currently working in a full-time position	0.0	16.7	0.0	8.7	7.7	7.7	25.0	25.0	3.4	12.5	0.0	0.0
Within the last two years	38.9	44.4	39.1	26.1	7.7	23.1	25.0	0.0	31.0	30.4	33.3	33.3
Two to less than five years ago	33.3	22.2	21.7	21.7	30.8	46.1	0.0	25.0	25.9	25.0	33.3	0.0
Five years or more ago	22.2	16.7	34.8	21.7	23.1	23.1	50.0	50.0	29.3	21.4	33.3	33.3
Never	0.0	0.0	4.3	21.7	23.1	7.7	0.0	0.0	6.9	10.7	0.0	0.0
Don’t know/refused	5.6	0.0	0.0	0.0	7.7	0.0	0.0	0.0	3.4	0.0	0.0	33.3

The average hours per week employed by respondents also increased from 24.4 hours/week to 33.8 hours/week across all case managed clients. Single men who were employed at the point of the Follow-up Survey on average were working full time, at 49.3 hours/week. Average hours worked by single women increased from 19.7 to 29.5 hours/week, but they were still, on average, not earning a full-time wage.

Clients were also asked when they were last in full-time employment (see Table 12). Overall, in both the Baseline and the Follow-up Surveys, approximately 30 per cent of case managed respondents who were not currently employed had been in full-time employment at some point within the previous two years. Given that the level of employment had increased over the 12 months, this represents a positive outcome. The proportion varied considerably between the groups, and there appears to be some inconsistency in responses from the Baseline Survey to the Follow-up Survey for single women and tenancy support clients. For example, at the Baseline Survey only 4.3 per cent of single women reported that they had never had a job of 35 hours/week or more, but at the Follow-up Survey 21.7 per cent said they had never had such a job. Therefore these figures should be treated with caution.

In the Baseline Survey, all respondents were asked about difficulties they had 'ever experienced in finding work'. In the Follow-up Survey, respondents who had been employed or looking for work over the previous 12 months were asked about difficulties experienced. Responses are reported in Table 13. It should be noted that this does not represent a matched sample, and the sample size and length of the period over which difficulties may have been encountered was different for each survey wave.

The greatest reported barrier to employment over a respondent's lifetime was their own ill health or disability (62.5% of respondents). This was also the most common cited barrier during the 12 months prior to the Follow-up Survey (41.1%). Lack of vacancies was cited by approximately one-third of respondents both over their lifetime (30.9%) and during the previous 12 months (34.5%).

Over half of respondents (53.6%) cited lack of stable accommodation as a barrier they had experienced at some time. In contrast, only about one-quarter (27.6%) of those working or looking for work had experienced this difficulty during the 12 months prior to the Follow-up Survey. Other difficulties experienced by greater than 20 per cent of case managed respondents during the 12 months prior to the Follow-up Survey related to: distance to travel to work or other transport problems (24.1%); lack of skill/education (24.1%); and no vacancies in a suitable line of work (20.7%). Childcare and family responsibilities were cited as barriers experienced in the previous 12 months by a large proportion of clients of single women's services (22.2%) and tenancy support services (20.0%).

3.4.2 Income outcomes

Respondents' main and additional income sources are detailed in Table 14. Across all support groups, most respondents relied on government payments as their main income source. However, a decrease in the proportion reporting reliance on government benefits and an increase in the proportion reporting wages and salaries as a main income source was observed from the Baseline to the Follow-up Survey.

Nearly 90 per cent of case managed respondents relied on government benefits as their main income source at the time of the Baseline Survey, compared with a smaller 81.1 per cent at the time of the Follow-up Survey. Predominantly, respondents relied on unemployment benefits and DSP/sickness benefits, with a smaller proportion relying on Parenting Payments.

Table 13: Difficulties experienced in finding work, by support type

	Single men	Single women	Tenancy support	Street-to-home	Total case managed	Day centre
Respondents (Baseline)[1]	**(n=16)**	**(n=23)**	**(n=12)**	**(n=4)**	**(n=55)**	**(n=3)**
Respondents (Follow-up)[2]	**(n=13)**	**(n=13)**	**(n=5)**	**(n=2)**	**(n=29)**	**(n=1)**
	%	**%**	**%**	**%**	**%**	**%**
Too many applicants for available jobs						
Ever experienced[1]	37.5	34.8	25.0	25.0	32.7	33.3
In last 12 months[2]	23.1	11.1	0.0	0.0	13.8	100.0
Lacked necessary skills or education						
Ever experienced[1]	37.5	34.8	33.3	25.0	34.5	33.3
In last 12 months[2]	23.1	33.3	0.0	50.0	24.1	0.0
Considered too young by employers						
Ever experienced[1]	6.3	8.7	0.0	25.0	7.3	0.0
In last 12 months[2]	0.0	11.1	0.0	0.0	3.6	0.0
Considered too old by employers						
Ever experienced[1]	12.5	21.7	8.3	0.0	14.5	33.3
In last 12 months[2]	23.1	22.2	0.0	0.0	17.2	0.0
Insufficient work experience						
Ever experienced[1]	37.5	34.8	41.7	25.0	36.4	66.7
In last 12 months[2]	23.1	11.1	0.0	50.0	17.2	0.0
No vacancies at all						
Ever experienced[1]	25.0	43.5	16.7	25.0	30.9	66.7
In last 12 months[2]	38.5	44.4	0.0	50.0	34.5	0.0
No vacancies in line of work						
Ever experienced[1]	25.0	39.1	33.3	0.0	30.9	33.3
In last 12 months[2]	23.1	22.2	0.0	50.0	20.7	0.0
Too far to travel/transport problems						
Ever experienced[1]	37.5	26.1	30.8	50.0	32.1	66.7
In last 12 months[2]	38.5	11.1	0.0	50.0	24.1	0.0
Lack of permanent accommodation						
Ever experienced[1]	68.8	47.8	38.5	75.0	53.6	0.0
In last 12 months[2]	38.5	22.2	0.0	50.0	27.6	0.0
Own ill health or disability						
Ever experienced[1]	75.0	56.5	46.2	100.0	62.5	33.3
In last 12 months[2]	46.2	22.2	60.0	50.0	41.1	0.0
Language difficulties						
Ever experienced[1]	0.0	4.3	8.3	0.0	3.6	0.0
In last 12 months[2]	0.0	0.0	0.0	0.0	0.0	0.0

	Single men	Single women	Tenancy support	Street-to-home	Total case managed	Day centre
Respondents (Baseline)[1]	**(n=16)**	**(n=23)**	**(n=12)**	**(n=4)**	**(n=55)**	**(n=3)**
Respondents (Follow-up)[2]	**(n=13)**	**(n=13)**	**(n=5)**	**(n=2)**	**(n=29)**	**(n=1)**
	%	**%**	**%**	**%**	**%**	**%**
Unsuitable hours						
Ever experienced[1]	0.0	30.4	16.7	25.0	18.2	33.3
In last 12 months[2]	7.7	11.1	20.0	0.0	10.3	0.0
Childcare and other family responsibilities						
Ever experienced[1]	0.0	26.1	33.3	0.0	18.2	33.3
In last 12 months[2]	0.0	22.2	20.0	0.0	10.3	0.0
Discrimination						
Ever experienced[1]	6.3	26.1	16.7	0.0	16.4	33.3
In last 12 months[2]	0.0	11.1	0.0	50.0	7.1	0.0
No feedback from employers						
Ever experienced[1]	12.5	30.4	25.0	25.0	23.6	33.3
In last 12 months[2]	30.8	22.2	0.0	0.0	21.4	0.0

1. Baseline Survey: all respondents were asked if they had ever experienced this problem in finding work.

2. Follow-up Survey: respondents who had been employed or looked for work in the previous 12 months were asked if they had experienced this problem in finding work during the previous 12 months.

Single men reported the largest increase in income from wages and associated decrease in reliance on government benefits (from 94.5% to 72.2%), predominantly relating to a decrease in the proportion of single men receiving unemployment benefits and an increase in the proportion reporting wages as their main income source. Single women also reported a decrease in their level of reliance on government benefits as a main income source, decreasing from 87.0 to 82.6 per cent. The proportion of single women reporting wages as their main income source increased from 4.3 to 17.4 per cent. The relative proportion of single women relying on each type of government benefit also changed over the 12-month period, with the proportion relying on unemployment benefits and Parenting Payments decreasing. However, the proportion relying on DSP/sickness benefits doubled from 17.4 to 34.8 per cent.

The proportion of tenancy support clients relying on government payments was the same for the two survey waves. However, there was a change in the type of support received with a decrease in the proportion of clients reporting Parenting Payment as their main income source and an increase in those reporting unemployment benefits. Entitlement to Parenting Payments is subject to having dependent children under specified age limits. The decrease in reliance on Parenting Payments by single women and tenancy support clients was in part a function of fewer respondents being eligible due to children no longer being under the specified age limits. The main income source reported by street-to-home and day centre clients was the same for each survey wave.

In addition to these main income sources, respondents reported receipt of government Rent Assistance, Family Tax Benefit payments and other sources such as child support and small government supplements such as Pensioner Education Benefit. Across all case managed clients 41.4 per cent reported receiving Rent

Assistance at the time of the Baseline Survey, but only 17.2 per cent were receiving it at the time of the Follow-up Survey. This corresponds to the change in accommodation circumstances of respondents where at the time of the Baseline Survey a much larger proportion of respondents were living in circumstances where they were eligible for Rent Assistance. In contrast, at the time of the Follow-up Survey, 53.5 per cent of respondents were living in public or community housing (see Table 10).

Further insight into the changes in income source over the 12 months between surveys was obtained by examining the transitions in income source for single men, single women and tenancy support clients (see Tables 15 to 17). Overall, examination of these transitions shows that for many respondents their main source of income did change between the point of the Baseline and Follow-up surveys. In the majority of instances, these changes involved transfer from one government benefit to another. However, 30 per cent of the single men receiving Newstart at the point of the Baseline Survey, 60 per cent of the single women receiving Parenting Payment and the single women receiving No Income at the point of the Baseline Survey all reported wages/salary as their main income source at the point of the Follow-up Survey.

As evident in Table 15, of the 55.6 per cent of single men who were on Newstart at the point of the Baseline Survey, 30 per cent of these reported their main income source as wages/salaries at the Follow-up Survey and 40 per cent still reported Newstart as their main income source. A small proportion (10%) now received DSP/sickness benefits. The remaining 20 per cent reported no income and did not report being registered for government income support or other benefits at the time of the Follow-up Survey.

Of the 38.9 per cent of single men who received DSP/sickness benefits at the point of the Baseline Survey, 42.9 per cent reported receiving Newstart at the time of the Follow-up Survey, reflecting a move of these respondents into the labour force, either gaining part-time work or looking for work as noted previously. The remaining 57.1 per cent still received DSP/sickness benefits.

Table 14: Source(s) of income at point of survey, by support type

	Single men		Single women		Tenancy support		Street-to-home		Total case managed		Day centre	
	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up	Baseline	Follow-up
	%	%	%	%	%	%	%	%	%	%	%	%
Main income source												
Unemployment benefits	55.6	38.9	47.8	34.8	15.4	23.1	25.0	25.0	41.4	32.8	66.7	66.7
Parenting Payment	0.0	0.0	21.8	13.0	23.1	15.5	0.0	0.0	13.8	8.6	0.0	0.0
DSP/Sickness	38.9	33.3	17.4	34.8	53.8	53.8	50.0	50.0	34.5	39.7	33.3	33.3
Age Pension	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Government payments	94.5	72.2	87.0	82.6	92.3	92.4	75.0	75.0	89.7	81.1	100.0	100.0
Wages	0.0	16.7	4.3	17.4	7.7	7.7	25.0	25.0	5.2	15.5	0.0	0.0
Other sources	0.0	0.0	4.3	0.0	0.0	0.0	0.0	0.0	1.7	0.0	0.0	0.0
Other income sources												
Rent Assistance	33.3	16.7	52.2	21.7	30.8	7.7	50.0	25.0	41.4	17.2	0.0	0.0
Family Tax Benefit	0.0	0.0	4.3	17.4	15.4	30.7	0.0	0.0	5.2	13.8	0.0	0.0
Other sources*	5.6	0.0	13.0	26.1	7.7	30.8	25.0	25.0	10.3	19.1	0.0	33.3
No income												
At time of survey	5.6	11.1	4.3	0.0	0.0	0.0	0.0	0.0	3.4	3.4	0.0	0.0

* Other sources includes child support/maintenance and government supplements.

Table 15: Main income source transitions, single men's services, Baseline and Follow-up surveys

	Main income source at point of Baseline Survey						
	No income	**Newstart***	**DSP/sickness benefit**	**Parenting Payment**	**Wages/ salary**	**Other**	**Total**
Main income source at point of Follow-up Survey							
No income							
Row %	0.0	100.0	0.0	0.0	0.0	0.0	100.0
Column %	0.0	20.0	0.0	0.0	0.0	0.0	11.1
*Newstart**							
Row %	0.0	57.1	42.9	0.0	0.0	0.0	100.0
Column %	0.0	40.0	42.9	0.0	0.0	0.0	38.9
DSP/sickness							
Row %	16.7	16.7	66.7	0.0	0.0	0.0	100.0
Column %	100.0	10.0	57.1	0.0	0.0	0.0	33.3
Parenting Payment							
Row %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Column %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wages/salary							
Row %	0.0	100.0	0.0	0.0	0.0	0.0	100.0
Column %	0.0	30.0	0.0	0.0	0.0	0.0	16.7
Other sources							
Row %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Column %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total							
Row %	5.6	55.6	38.9	0.0	0.0	0.0	100.0
Column %	100.0	100.0	100.0	0.0	0.0	0.0	100.0

Notes: Matched sample of respondents from the Baseline and Follow-up surveys.

* Newstart (unemployment benefits).

Table 16 shows that of the 47.8 per cent of clients of single women's services who reported being on Newstart at the point of the Baseline Survey, just over half were also receiving Newstart as their main income source at the time of the Follow-up Survey. A further 36.4 per cent were now receiving DSP/sickness benefits and 9.1 per cent were receiving Parenting Payment as their main income source. No respondents who had been on Newstart at the time of the Baseline Survey were employed at the point of the Follow-up Survey.

Of the 17.4 per cent of respondents on DSP/sickness benefits at the time of the Baseline Survey all were also receiving DSP/sickness benefits as their main income source at the point of the Follow-up Survey. Of the 21.7 per cent of respondents receiving Parenting Payment at the point of the Baseline Survey, 40 per cent were also receiving it at the point of the Follow-up Survey; the remaining 60 per cent reported wages/salaries as their main income source.

The single women who reported no income at the time of the Baseline Survey reported wages/salary as their main income source at the Follow-up Survey. Of the 17.4 per cent who reported wages/salaries as their main income source at the point of the Follow-up Survey, 75 per cent had previously received Parenting Payment and 25 per cent had reported no income at the point of the Baseline Survey.

Table 16: Main income source transitions, single women's services, Baseline and Follow-up surveys

	Main income source at point of Baseline Survey						
	No income	**Newstart***	**DSP/sickness benefit**	**Parenting Payment**	**Wages/ salary**	**Other**	**Total**
Main income source at point of Follow-up Survey							
No income							
Row %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Column %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*Newstart**							
Row %	0.0	75.0	0.0	0.0	12.5	12.5	100.0
Column %	0.0	54.5	0.0	0.0	100.0	100.0	34.8
DSP/sickness							
Row %	0.0	50.0	50.0	0.0	0.0	0.0	100.0
Column %	0.0	36.4	100.0	0.0	0.0	0.0	34.8
Parenting Payment							
Row %	0.0	33.3	0.0	66.7	0.0	0.0	100.0
Column %	0.0	9.1	0.0	40.0	0.0	0.0	13.0
Wages/salary							
Row %	25.0	0.0	0.0	75.0	0.0	0.0	100.0
Column %	100.0	0.0	0.0	60.0	0.0	0.0	17.4
Other							
Row %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Column %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total							
Row %	4.3	47.8	17.4	21.7	4.3	4.3	100.0
Column %	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: Matched sample of respondents from the Baseline and Follow-up surveys.

* Newstart (unemployment benefits).

Examination of Table 17 shows that over half of tenancy support clients (53.8%) reported DSP/sickness benefits as their main income source at the point of the Baseline Survey. Of these, most (85.7%) still reported this as their main income source at the Follow-up Survey. The other 14.3 per cent reported Newstart as their main income source. Of the 15.4 per cent of clients reporting Newstart as their main income source at the time of the Baseline Survey, half were also receiving it at the point of the Follow-up Survey and half were now receiving DSP/sickness benefits. Thus, although the proportion of respondents reporting DSP/sickness benefits as their

main income source was equivalent at both the Baseline and Follow-up surveys, they were not all the same respondents: there exists a small and offsetting movement of clients between the two government benefits.

Of the 23.1 per cent of respondents receiving Parenting Payment at the point of the Baseline Survey, most (66.7%) were also receiving it at the point of the Follow-up Survey with the remaining one-third now receiving Newstart benefits. The one person reporting wages/salary as their main income source at the Baseline Survey was still the only respondent reporting this at the Follow-up Survey.

Table 17: Main income source transitions, tenancy support services, Baseline and Follow-up surveys

	Main income source at point of Baseline Survey						
	No income	**Newstart***	**DSP/sickness benefit**	**Parenting Payment**	**Wages/ salary**	**Other**	**Total**
Main income source at point of Follow-up Survey							
No income							
Row %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Column %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*Newstart**							
Row %	0.0	33.3	33.3	33.3	0.0	0.0	100.0
Column %	0.0	50.0	14.3	33.3	0.0	0.0	23.1
DSP/sickness							
Row %	0.0	14.3	85.7	0.0	0.0	0.0	100.0
Column %	0.0	50.0	85.7	0.0	0.0	0.0	53.8
Parenting Payment							
Row %	0.0	0.0	0.0	100.0	0.0	0.0	100.0
Column %	0.0	0.0	0.0	66.7	0.0	0.0	15.4
Wages/salary							
Row %	0.0	0.0	0.0	0.0	100.0	0.0	100.0
Column %	0.0	0.0	0.0	0.0	100.0	0.0	7.7
Other							
Row %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Column %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total							
Row %	0.0	15.4	53.8	23.1	7.7	0.0	100.0
Column %	0.0	100.0	100.0	100.0	100.0	0.0	100.0

Notes: Matched sample of respondents from the Baseline and Follow-up Surveys.

*Newstart unemployment benefits.

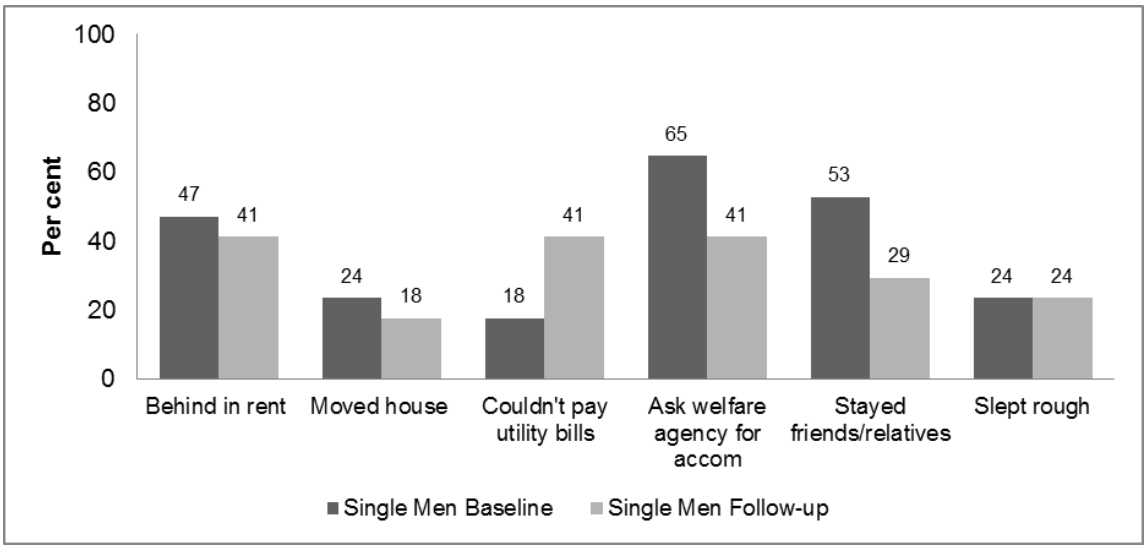
Figure 12 reports some of the consequences that single men, single women and tenancy support clients faced due to lack of money during the 12 months prior to each survey being administered. The figure demonstrates that generally a much smaller proportion of respondents reported negative consequences from lack of money during the 12 months post commencement of support than during the 12 months prior to that

support. Unreported results show that a similar pattern of lower incidence of negative consequences due to lack of money was also reported by street-to-home and day centre clients. This represents a positive outcome across all support cohorts. A larger proportion of single men did report problems with keeping up with utility bills in the 12 months post commencement of support than in the previous 12 months. However, as previously shown, a larger proportion of single men were also in stable accommodation in the latter 12 months.

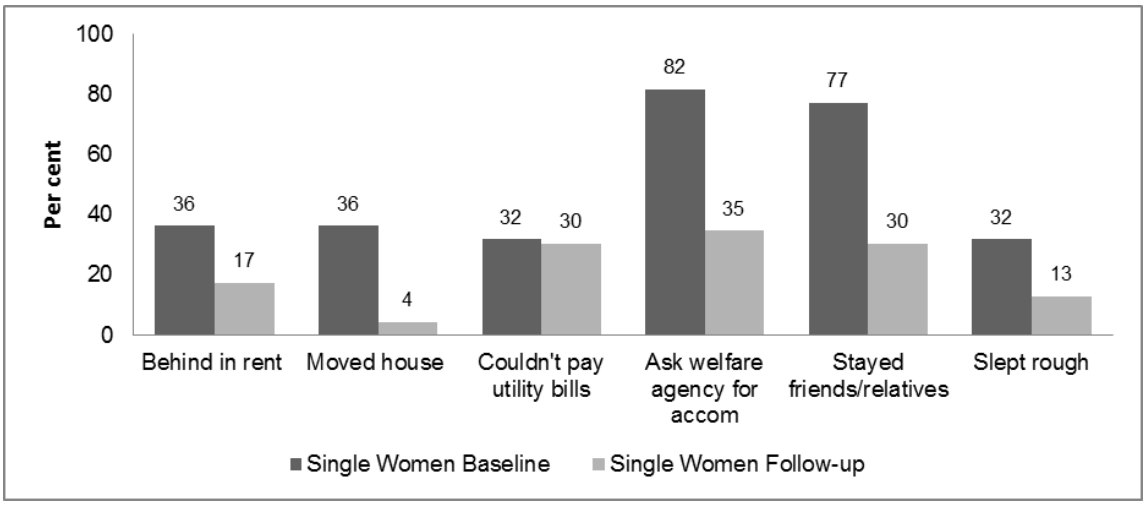
Single women reported a lower incidence of all negative consequences, including not being able to pay rent (36% at Baseline Survey; 17% at Follow-up Survey). Where most had experienced homelessness due to lack of money during the 12 months prior to the baseline support period, the incidence was much lower in the 12 months post support. Tenancy support clients reported the smallest decrease in negative consequences due to lack of money. A large proportion still reported issues with paying rent (54%) and utility bills (77%). The proportion that had to stay with friends or relatives or to sleep rough because they could not afford the rent was higher during the 12 months post the Baseline Survey compared with the 12 months prior (25% vs 31%, and 17% vs 31%, pre and post the Baseline Survey, respectively), suggesting a worsening in circumstances.

Figure 12: Consequences of lack of money, by support type: single men, single women and tenancy support

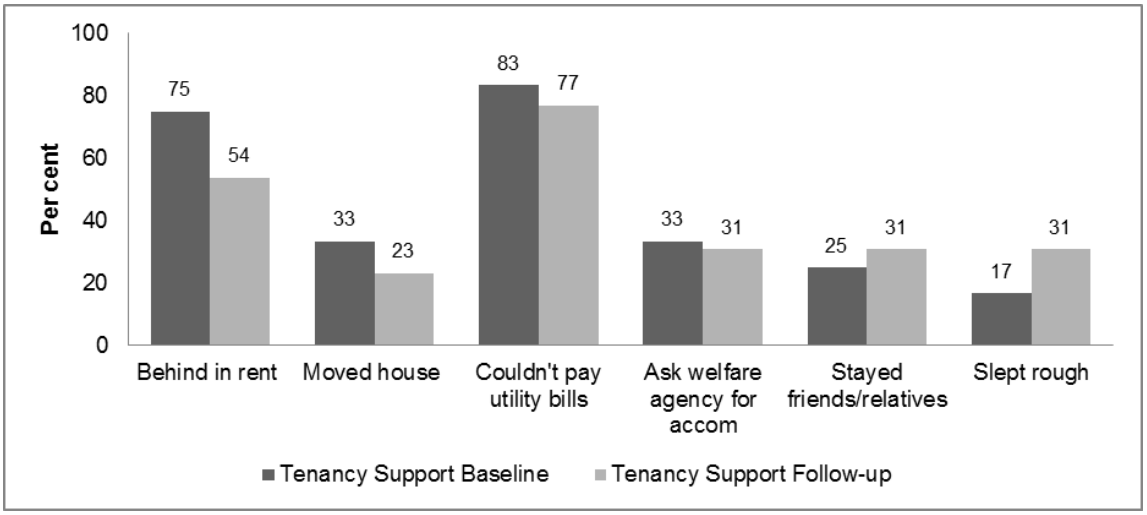
Panel A—Single Men



Panel B—Single Women



Panel C—Tenancy support



3.5 Physical and mental health outcomes

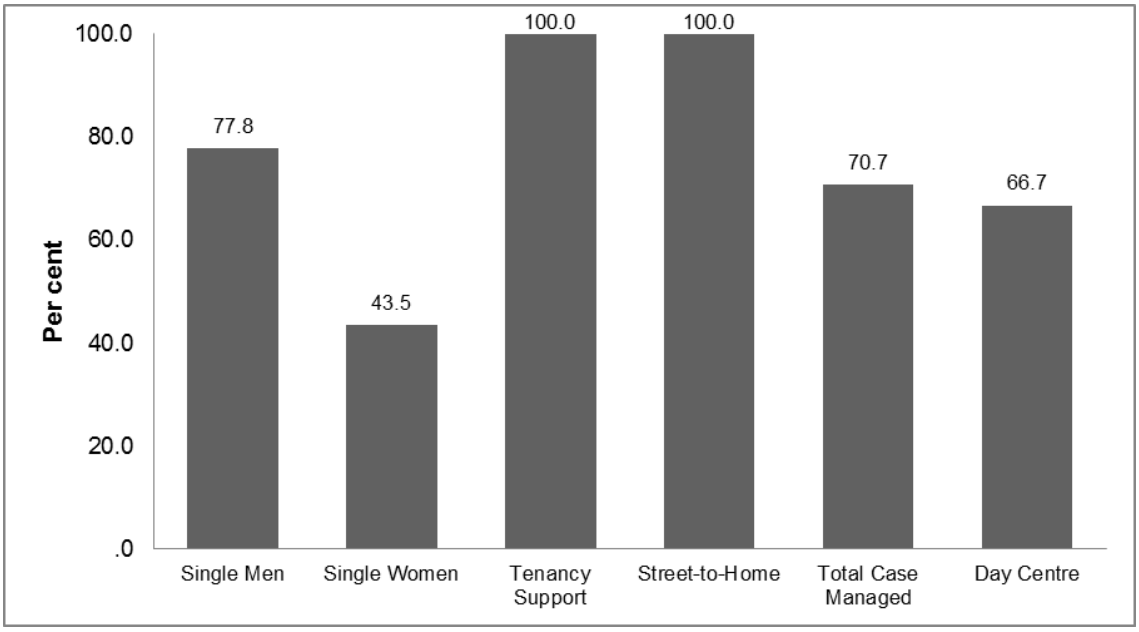
Long-term physical and mental health conditions are major risk factors for homelessness. People having access to appropriate health services is an important aspect of assisting them to manage their condition, exit out of homelessness and reduce the risk of repeat episodes of homelessness.

3.5.1 Physical health outcomes

Figure 13 shows that at the point of the Follow-up Survey the vast majority of respondents of both case managed (70.7%) and day centre respondents had a diagnosed long-term physical illness or disability. All tenancy support and all street-to-home clients reported a long-term physical illness or disability. The only cohort where less than half had a long-term physical condition was clients of single women's services (43.5%). Of those with a diagnosed physical health condition, the majority had also reported having a diagnosed condition at the point of the Baseline Survey. Only one respondent from each of the single women's and tenancy support cohorts who had not reported a long-term physical health condition at the Baseline Survey reported that a condition had been diagnosed during the 12 months between the survey waves.

Access to GP services for physical health conditions is reported in Figures 14 and 15. Figure 14 reveals that the vast majority of respondents had accessed GP services within three months prior to both the Baseline and Follow-up surveys. For case managed respondents other than tenancy support clients, the proportion who had accessed GP services in this period was smaller at the point of the Follow-up Survey than the Baseline Survey. At the point of the Baseline Survey none of these respondents reported that they had not accessed a GP in the previous 12 months. Conversely, at the Follow-up Survey a small number of single women and street-to-home clients reported not accessing a GP in the previous 12 months. In contrast, the proportion of tenancy support clients accessing services in the three months prior to the Follow-up Survey was double that reported at the Baseline Survey (an increase from 46% to 92%) and the proportion reporting having not accessed a GP in the previous 12 months decreased (a decrease from 15% to 8%).

Figure 13: Diagnosed physical illness or disability at point of Follow-up Survey



For both single men and single women the incidence of requiring but not being able to access a GP was also considerably less during the 12 months prior to the Follow-up Survey compared with the Baseline Survey (Figure 15). However, for tenancy support respondents, the incidence of requiring but not being able to access a GP increased, such that over half (54%) of all respondents in this cohort reported this occurring in the 12 months prior to the Follow-up Survey.

Figure 16 shows that the proportion of case managed respondents who had not consulted with an allied health professional during the previous 12 months was considerable lower at the point of the Follow-up Survey (24%) compared with the Baseline Survey (55%). Only street-to-home respondents reported an increase in the proportion that had not accessed these services in the previous 12 months. A greater proportion of single men reported their last consultation as either within the previous three months, or three to six months ago. An increased proportion of single women reported their last consultation as between three and 12 months ago. The proportion of tenancy support clients having accessed an allied health professional within the previous three months nearly doubled from 38 per cent at the point of the Baseline Survey to 62 per cent at the point of the Follow-up Survey.

Figure 17 demonstrates that, as with GP services, the proportion of respondents having required but not been able to access allied health services in the previous 12 months decreased for all cohorts except tenancy support clients, where it increased from 31 to 46 per cent.

Figure 14: Last time a GP was consulted, by time since last contact and support type: previous 12 months

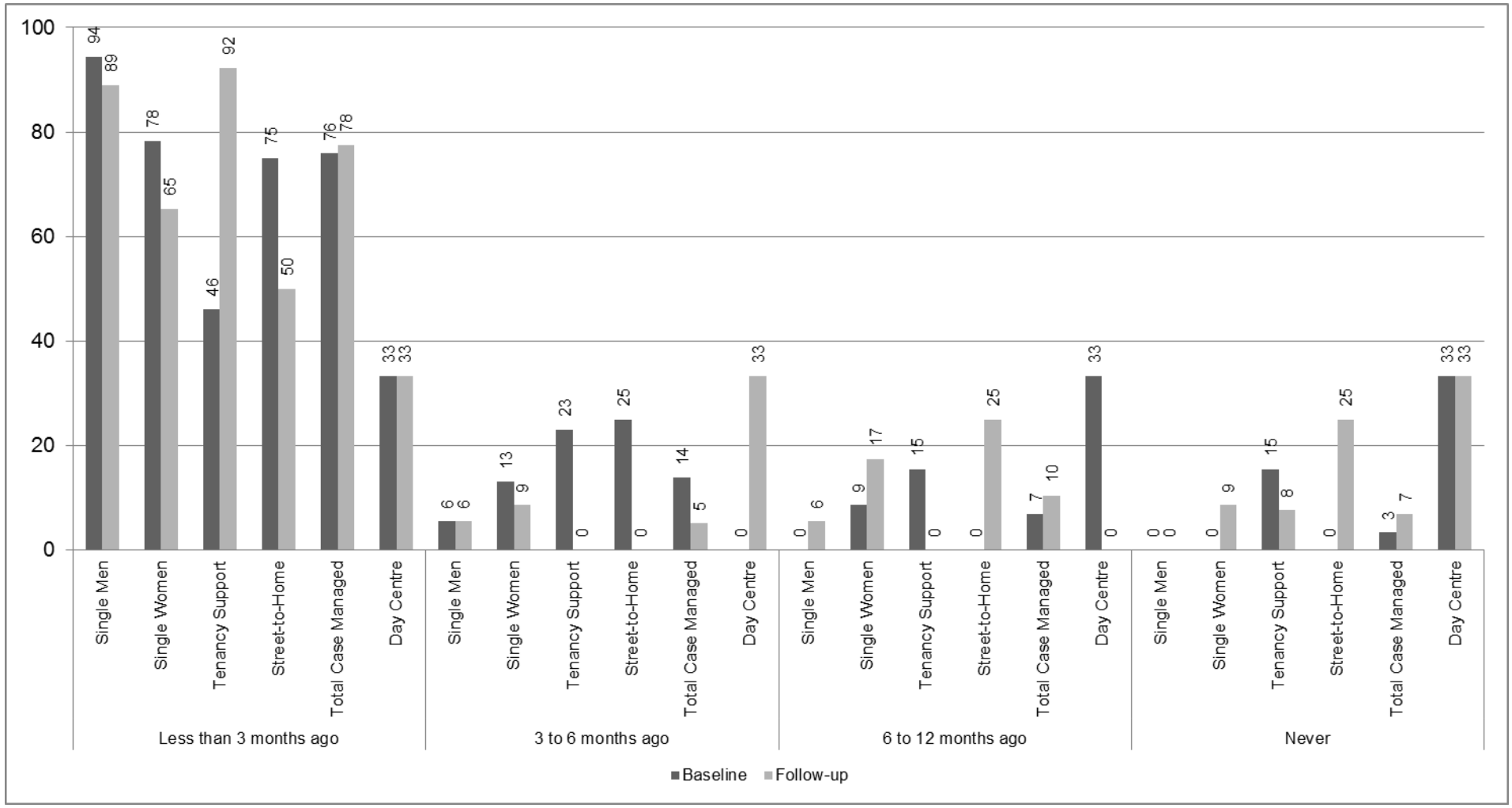


Figure 15: Required but unable to access a GP during previous 12 months, by support type

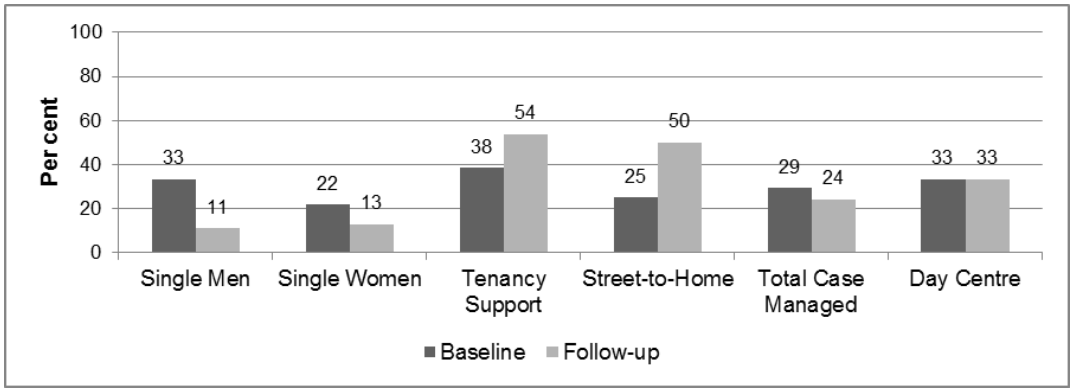


Figure 16: Last time an allied health professional was consulted, by time since last contact and support type: previous 12 months

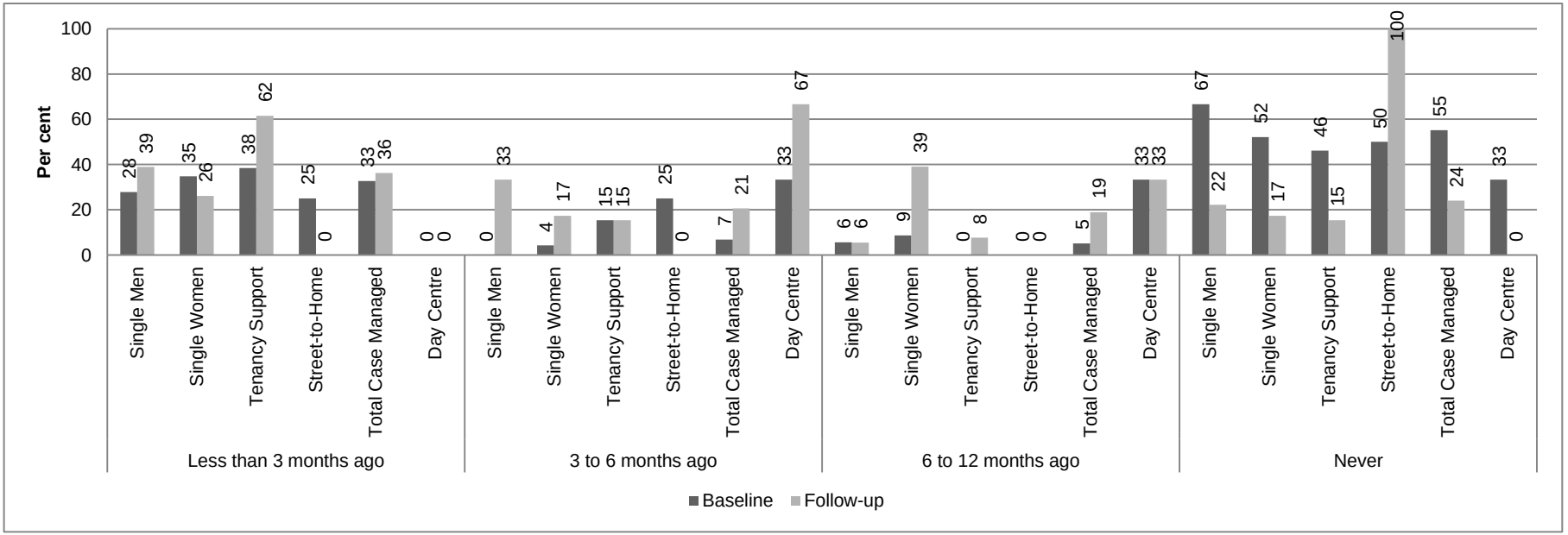
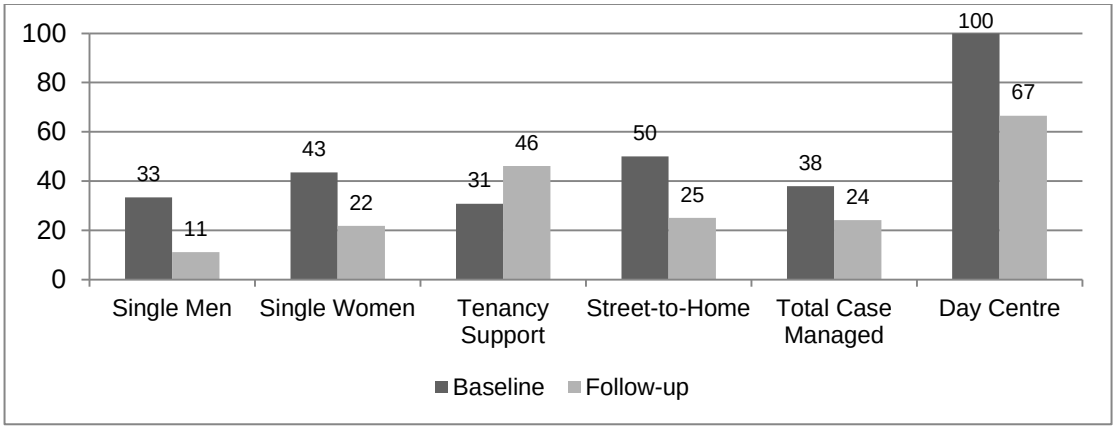


Figure 17: Required but unable to access an allied health professional in previous 12 months, by support type



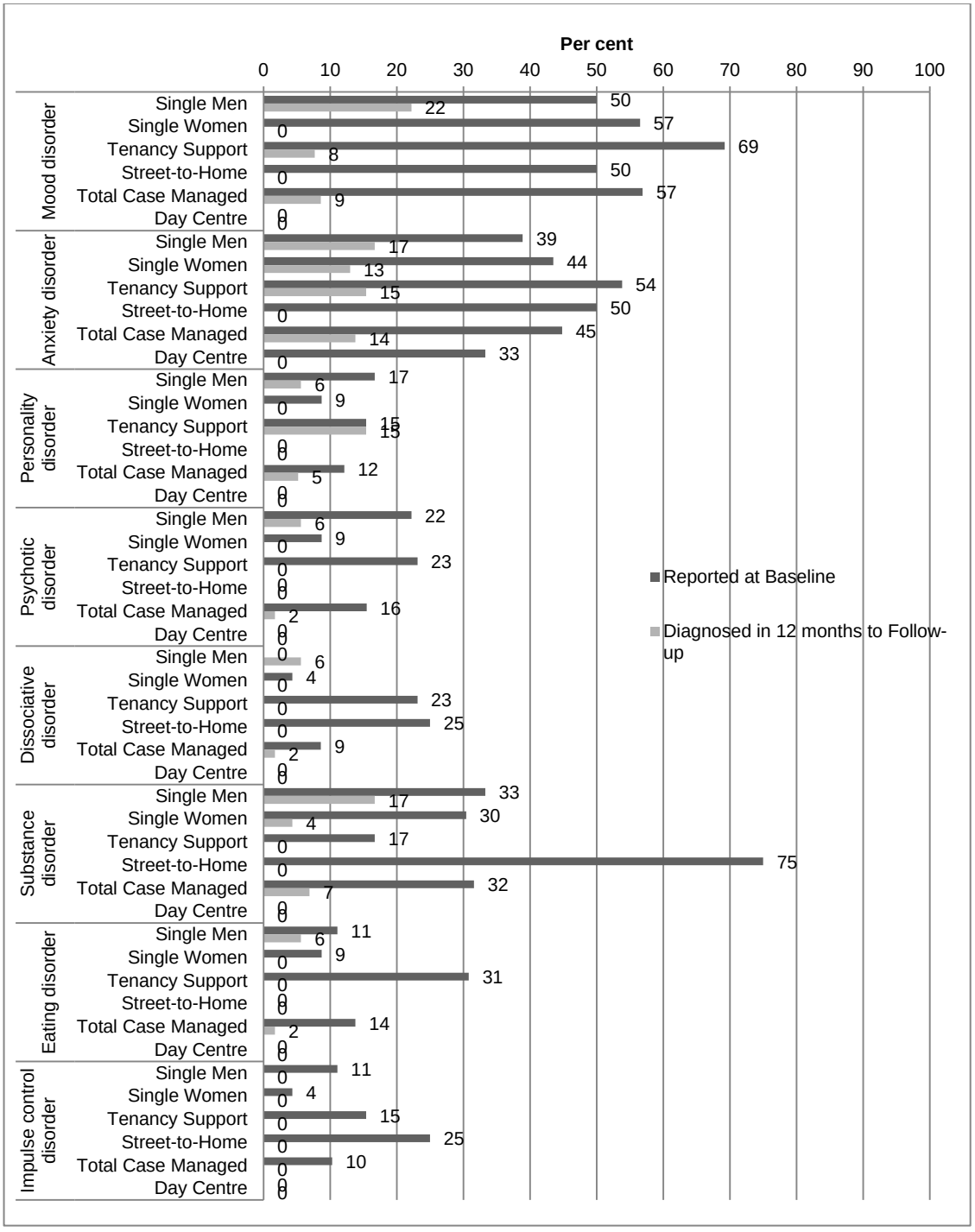
The evidence suggests that, except for tenancy support clients, access to both GP and allied health services was better at the time of the Follow-up Survey. All other things being equal, this will feed into higher health care costs; however, these higher costs reflect access to services that should have been provided in previous periods but, for whatever reason, were not. In contrast, at the point of the Follow-up Survey tenancy support clients reported more recent consultation both with GPs and allied health professionals. Additionally, a greater proportion had experienced occasions when they required but were not able to access these services during the previous year.

3.5.2 Mental health issues

Existence of a mental health condition also represents a contributing factor to homelessness. The prevalence of mental health conditions at the point of the Baseline Survey and diagnosis of new mental health conditions in the 12 months prior to the Follow-up Survey are reported in Figure 18. The prevalence of mental health conditions at the time of the Baseline Survey was high, as was the incidence of disorders being newly diagnosed in the 12 months prior to the Follow-up Survey. The relatively high rate of new diagnoses in the short period of 12 months following entry to support suggests that homelessness support services facilitated access to mental health professionals where this may not have occurred or occurred to a more limited extent in the past, and that mental health conditions which had not previously been supported would now receive support. The implication here is that health service costs may in fact increase for a period rather than decline.

As with the complete sample for the Baseline Survey, the prevalence of mood disorders and anxiety disorders was high for all case managed cohorts, with over 50 per cent of respondents in each cohort reporting a diagnosed mood disorder at the time of the Baseline Survey and approximately 40 to 54 per cent reporting a diagnosed anxiety disorder. A very high proportion of tenancy support clients (69%) reported a mood disorder at the time of the Baseline Survey. This was considerably higher than for the complete baseline sample, where 46.3 per cent of tenancy support clients reported a mood disorder. The prevalence of substance disorders was also high at the point of the Baseline Survey, with 33 per cent of single men, 30 per cent of single women and 75 per cent of street-to-home clients reporting this condition.

Figure 18: Prevalence of mental health conditions at point of Baseline Survey and newly diagnosed in 12 months prior to Follow-up Survey, by condition and support type

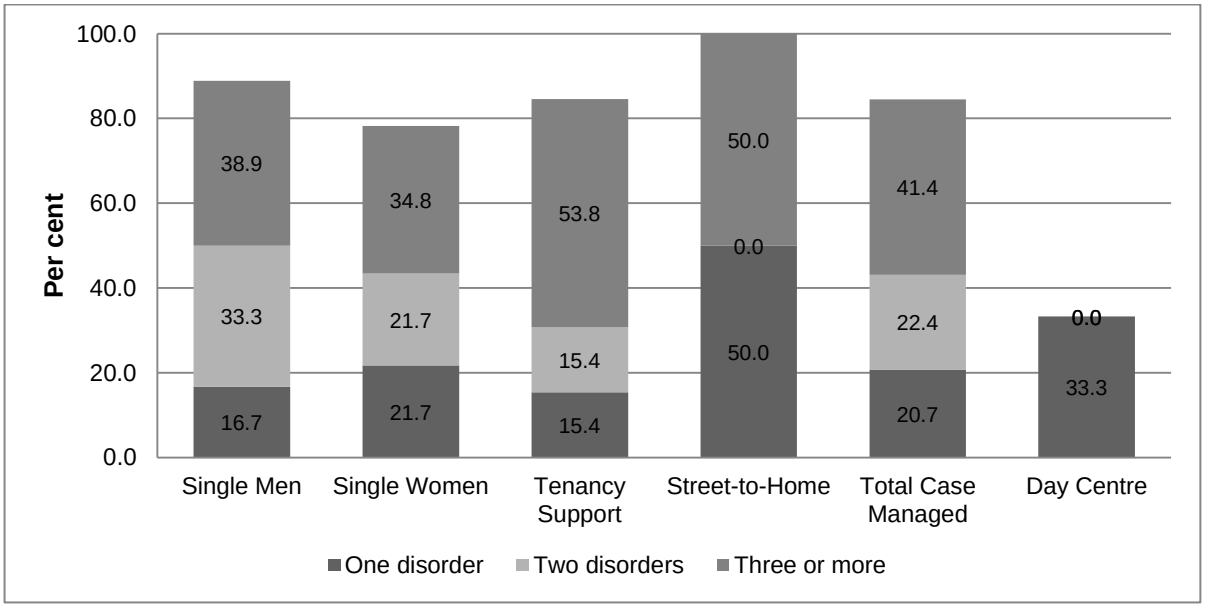


These were also the conditions most commonly diagnosed during the 12 months prior to the Follow-up Survey, with 22 per cent of single men and 8 per cent of tenancy support respondents who had not previously been diagnosed with a mood disorder reporting being diagnosed with one in that period. Similar proportions of single men (17%), single women (13%) and tenancy support (15%) respondents were diagnosed with an anxiety disorder and 17 per cent of single men were diagnosed with a substance disorder. This is in addition to those who had been diagnosed with these types of disorders at the point of the Baseline Survey. Thus, at the point of the Follow-up Survey, 66 per cent of case managed respondents had been diagnosed with a

mood disorder, 59 per cent with an anxiety disorder and 39 per cent with a substance disorder at some stage in their life. Also, 15 per cent of tenancy support respondents were diagnosed with a personality disorder in the follow-up period, in addition to the 15 per cent who reported being diagnosed at the point of the Baseline Survey.

The high prevalence of mental health conditions in the respondent population was also evidenced in examining the prevalence of dual diagnoses (see Figure 19). In total, over 80 per cent of case managed respondents reported at least one diagnosed mental health condition, with approximately half of these (41.4% of all case managed respondents) reporting three or more diagnosed conditions. The high prevalence of dual diagnosed conditions creates significant barriers for this population and an ongoing need for assistance.

Figure 19: Prevalence of multiple diagnoses of mental health conditions at point of Follow-up Survey

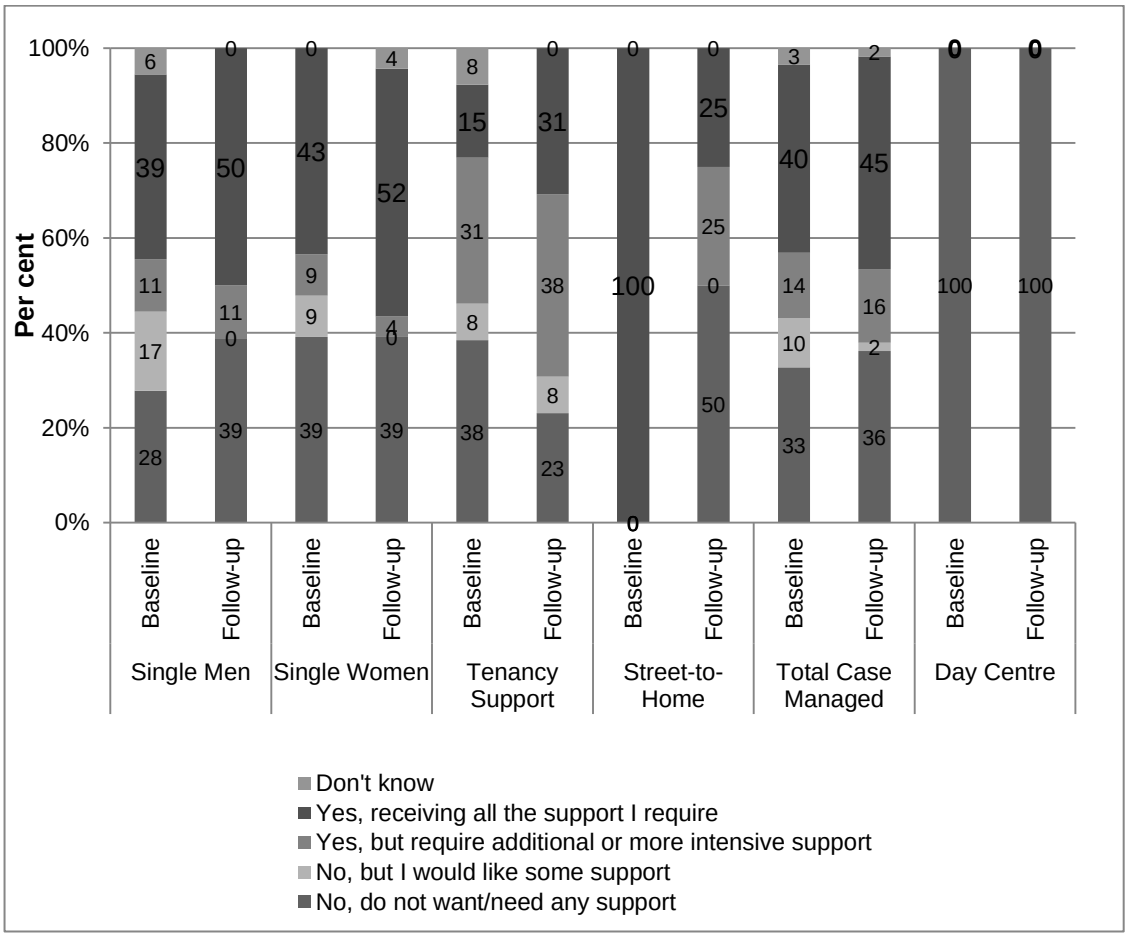


The extent to which respondents were receiving support and their requirements for support being met (see Figure 20) shows a positive change in outcomes for respondents. This is of particular importance given the increased prevalence of mental health needs. The proportion of respondents who reported that they were receiving all the support they required increased for single men (39% to 50%), single women (43% to 52%) and tenancy support (15% to 31%) respondents. There was also an increase in the proportion of single men's service respondents who considered that they did not need support (28% to 39%). Tenancy support respondents reported the largest level of unmet need, with 38 per cent reporting that they were receiving support but required more, and 8 per cent reporting that they were not receiving support but would like some.

Only 11 per cent of single men and 4 per cent of single women reported a level of unmet need at the time of the Follow-up Survey, down from 28 per cent of single men and 18 per cent of single women at the point of the Baseline Survey. The level of need and the extent to which it was being met has also changed for street-to-home respondents, where all reported receiving all the assistance they required at the time of the Baseline Survey. In contrast, at the time of the Follow-up Survey, 50 per cent reported they did not need assistance and 25 per cent reported requiring more

assistance than they were receiving. The small sample size limited any meaningful discussion in respect to changes reported for street-to-home clients.

Figure 20: Current mental health support and requirements for support, by support type



Respondents were also asked about their last access to mental health support services (Figure 21) and instances where they had required but not been able to access relevant services (Figure 22).

Figure 21: Access to mental health support services in the previous 12 months, by time since last consultation and support type

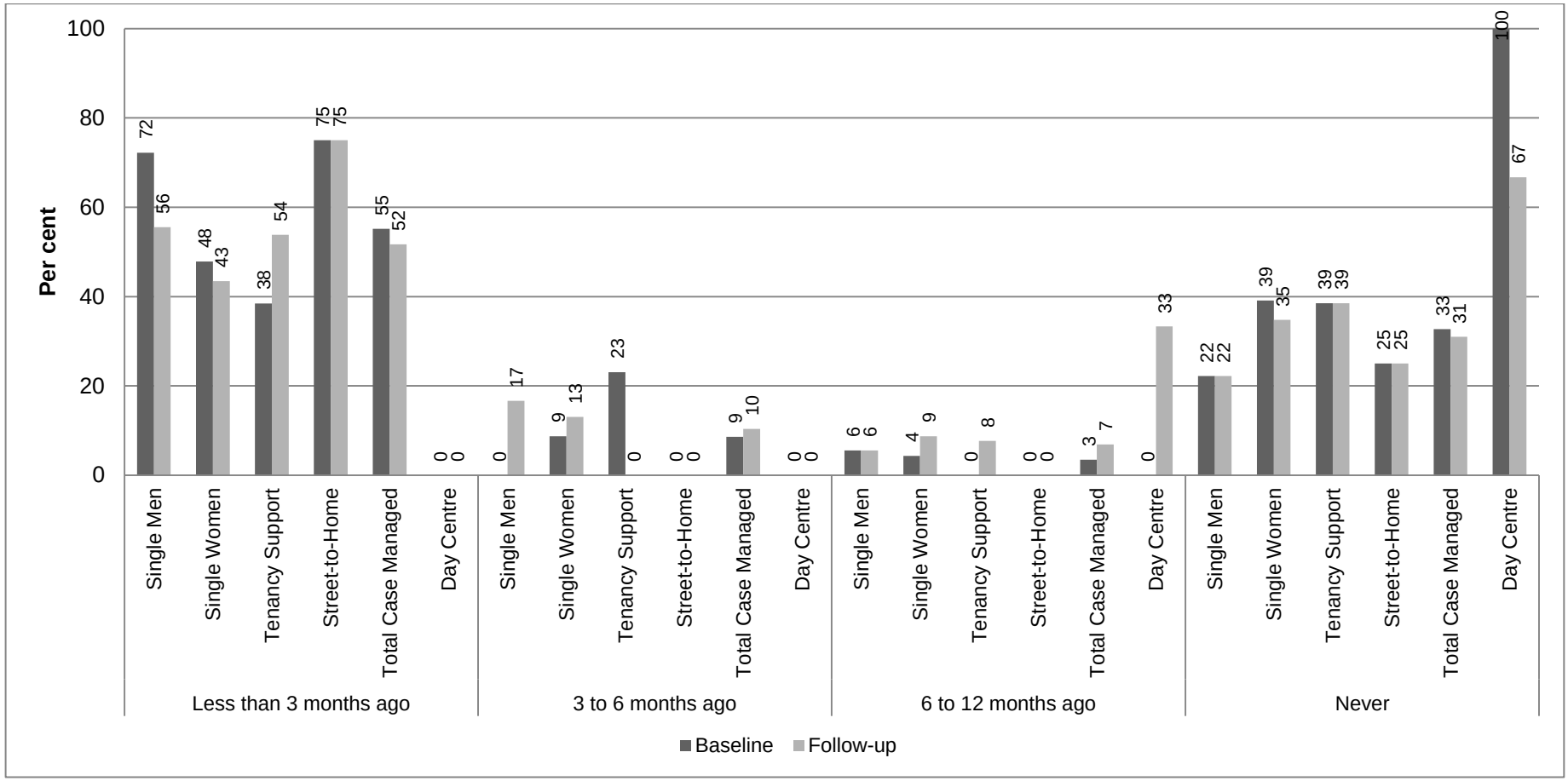
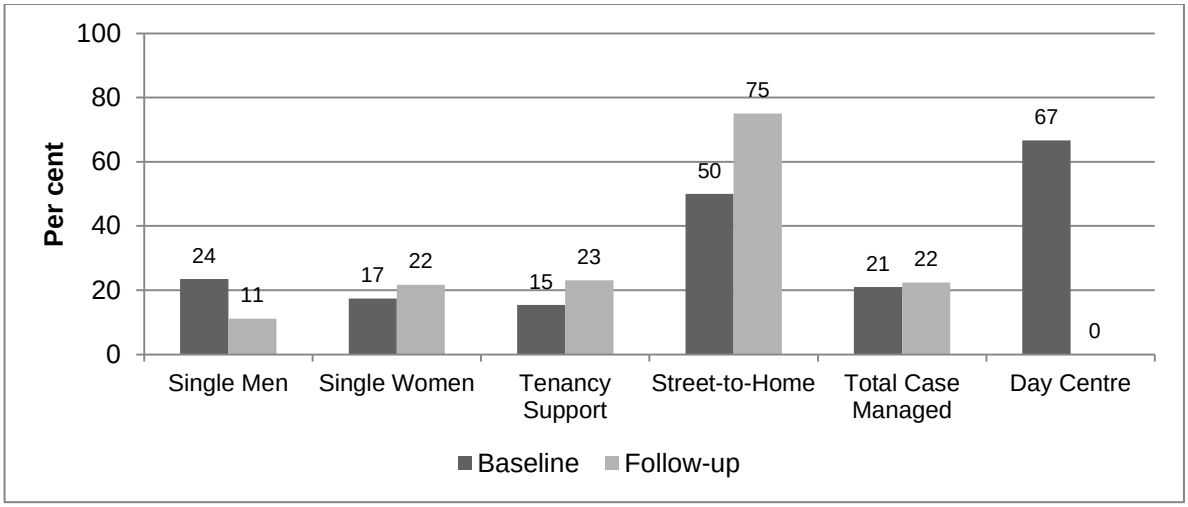


Figure 22: Required but was not able to access mental health support in previous 12 months, by support type



In general, respondents who accessed mental health services over the previous year had done so in the previous three months. The total proportion of respondents accessing mental health services in the previous 12 months was almost the same at the point of the Baseline and Follow-up Surveys, at just under 70 per cent.

For single men and single women, a slightly smaller proportion had accessed these services in the previous three months, with a larger proportion reporting that it had been between three and 12 months since they had accessed services. In contrast, a higher proportion of tenancy support respondents reported accessing services in the previous three months at the Follow-up Survey (54%) than the Baseline Survey (38%), reflecting the increased requirement for mental health services by tenancy support clients, as discussed previously.

Figure 22 also shows that a larger proportion of tenancy support clients required but were not able to access mental health services during the 12 months prior to the Follow-up Survey (23%) compared with the Baseline Survey (15%). This is consistent with an increase in the proportion of tenancy support clients reporting a level of unmet need for support for mental health issues. The proportion of single women and street-to-home respondents reporting at least one instance of requiring but not being able to access mental health support also increased; only single men and day centre clients reported a decreased incidence of not being able to access services when required.

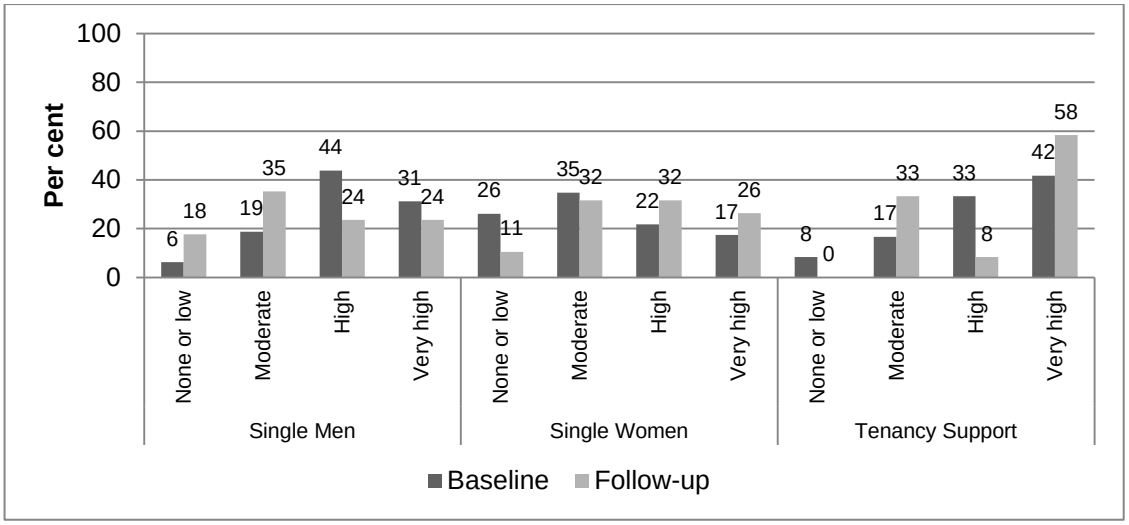
A key indicator we use for mental health and wellbeing is the level of psychological distress. Psychological distress was measured among respondents using the Kessler K10 instrument (Furukawa et al. 2003; Kessler et al. 2002; Kessler et. al. 2003). Scores were classified as reflecting low, moderate, high and very high levels of distress (see Figure 23). The level of psychological distress, and change from the point of the Baseline to Follow-up surveys, differed across the main client cohorts.

The proportion of single men respondents scoring high and very high psychological distress decreased considerably from 75 per cent at the Baseline Survey to 48 per cent at the Follow-up Survey. In contrast, single women displayed the lowest distress levels at the point of the Baseline Survey, with 39 per cent scoring high or very high distress. However, this had increased to 58 per cent at the point of the Follow-up Survey. Although the total proportion of tenancy support respondents scoring high or very high distress decreased from the Baseline Survey (75%) to the Follow-up Survey (64%), the proportion scoring very high distress increased from 42 to 58 per cent, and

high distress decreased from 33 to 8 per cent. Thus the distribution of distress scores for tenancy support clients at the time of the Follow-up Survey was bi-modal, with most respondents scoring either very high distress (58%) or moderate distress (33%).

For all cohorts, and in both survey waves, respondents displayed a higher level of distress than found in the general Australian population, where the majority of individuals score in the low (67%) and moderate (21%) psychological distress categories and only 12 per cent fall in the high to very high range (ABS 2008).

Figure 23: Overall level of psychological distress (Kessler K10), by support type



3.5.3 Substance use and dependence

As with the Baseline Survey, respondents were asked about their use of alcohol and other drugs in the previous month (Table 18).

Follow-up Survey participants' use of drugs at the point of the Baseline Survey did not differ greatly from the complete Baseline Survey sample, with nicotine the most commonly used drug at baseline followed by alcohol, cannabis, non-prescription use of sedatives, heroin and other opioids and amphetamines. Minor differences exist in the rates of use of the three remaining substances; however, use is minimal or not at all for all scenarios. Follow-up results were not dissimilar to baseline, with use of the first four named drugs (nicotine, alcohol, cannabis and sedatives) being highest. However, amphetamines surpassed usage of heroin and other opioids, with a substantial drop in the use of these substances at the time of the Follow-up Survey (from 12.7% to 5.3%). Inhalants, hallucinogens and cocaine had the lowest usage rates, with only one respondent reporting use for each.

Usage rates for nicotine, alcohol, cannabis and amphetamines were slightly higher for all case managed clients at the time of the Follow-up Survey. The largest increase in substance use was for alcohol, an increase of 7 per cent (from 59.6% to 66.7%). Usage rates for all other substances were lower, with the exception of inhalants which remained unchanged at 1.8 per cent. Importantly, with the exception of an increase of improper use of sedatives among day centre clients, no group of clients reported use of any substance to a level higher than the reported lifetime prevalence usage rate. Where an increase was observed in substance use, it was not possible to know whether this related to circumstances at the time of the Baseline Survey (discussed below) or an actual increase in or return to substance use.

Table 18: Lifetime prevalence of drug use and proportion of respondents who reported substance use, by substance type and support type

		Single men	Single women	Tenancy support	Street-to-home	Total case managed	Day centre
		%	%	%	%	%	%
Nicotine							
Ever used		100.0	86.4	100.0	100.0	94.6	100.0
Used in last month	Baseline	94.4	61.9	72.7	100.0	76.9	100.0
	Follow-up	94.4	65.2	76.9	100.0	78.9	100.0
Alcohol							
Ever used		83.3	86.4	92.3	75.0	86.0	100.0
Used in last month	Baseline	72.2	60.0	45.5	33.3	59.6	100.0
	Follow-up	88.9	56.5	53.8	66.7	66.7	100.0
Cannabis							
Ever used		72.2	36.4	53.8	75.0	54.4	100.0
Used in last month	Baseline	44.4	9.1	15.4	33.3	23.2	100.0
	Follow-up	29.4	30.4	15.4	66.7	28.6	66.7
Amphetamine							
Ever used		50.0	27.3	38.5	50.0	38.6	33.3
Used in last month	Baseline	16.7	9.1	0.0	0.0	8.9	0.0
	Follow-up	5.6	13.0	7.7	33.3	10.5	66.7
Cocaine							
Ever used		16.7	18.2	16.7	50.0	19.6	33.3
Used in last month	Baseline	0.0	4.5	0.0	0.0	1.8	0.0
	Follow-up	0.0	0.0	0.0	0.0	0.0	33.3
Heroin/Opioids							
Ever used		27.8	22.7	16.7	75.0	26.8	33.3
Used in last month	Baseline	11.1	13.6	8.3	33.3	12.7	0.0
	Follow-up	0.0	8.7	0.0	33.3	5.3	0.0
Sedatives							
Ever used		44.4	27.3	30.8	75.0	36.8	33.3
Used in last month	Baseline	22.2	9.1	23.1	33.3	17.9	0.0
	Follow-up	17.6	8.7	23.1	100.0	14.3	50.0
Hallucinogens							
Ever used		33.3	13.6	23.1	50.0	24.6	33.3
Used in last month	Baseline	0.0	0.0	0.0	0.0	0.0	0.0
	Follow-up	5.6	0.0	0.0	0.0	1.8	0.0
Inhalants							
Ever used		16.7	9.1	8.3	25.0	12.5	0.0
Used in last month	Baseline	0.0	4.5	0.0	0.0	1.8	0.0
	Follow-up	0.0	0.0	7.7	0.0	1.8	0.0

Within each cohort, usage rates did not vary a great deal between the time of the Baseline and Follow-up surveys. Notable exceptions included significant decreases in the usage rates for cannabis, amphetamines and heroin among single men, with each displaying a decrease in the proportion of those using in excess of 10 per cent. This, however, was accompanied by a 17 per cent increase in the usage of alcohol. Usage rates of cannabis among single women rose from 9.1 per cent at baseline to 30.4 per cent in the month prior to the Follow-up Survey, revealing a significant increase in recent cannabis use among this cohort.

Percentage differences among the street-to-home support and day centre groups were much larger due to the smaller sample sizes within these groups. However, it is worth noting the increase in amphetamine and sedative use among day centre clients: from no use at baseline to 66.7 and 50.0 per cent respectively.

When interpreting the results from the Follow-up Survey, readers should consider the conditions under which Baseline Survey drug usage was reported. Unlike those receiving tenancy support, street-to-home support and day centre support, the single women and single men cohorts were likely to be receiving support in accommodation provided directly by an agency, such as a hostel or refuge. Agencies often have a zero tolerance policy to drug and alcohol use among their clients for the duration of their stay. This might affect not only usual drug and alcohol use at the time of the Baseline Survey but it may also affect a respondent's willingness to disclose drug and alcohol consumption. While the drug and alcohol section of the survey was designed to be self-completed by clients and stapled shut before being handed back to caseworkers, clients may have held concerns about their responses being observed by the caseworker during completion or seen by caseworkers after completion.

Severity dependence scores were calculated for those respondents who used substances in the month prior to each survey and subsequently completed the severity dependence score measures (see Table 19).

Table 19: Proportion of respondents who screened dependent, by substance type and support type*

		Single men	Single women	Tenancy support	Street-to-home	All case managed	Day centre
		%	%	%	%	%	%
Alcohol							
Screened dependent	Baseline	33.3	28.6	33.3	0.0	30.0	50.0
	Follow-up	33.3	28.6	66.7	0.0	35.0	0.0
Cannabis							
Screened dependent	Baseline	0.0	50.0	0.0	100.0	33.3	0.0
	Follow-up	50.0	50.0	0.0	100.0	50.0	0.0
Heroin/Opioids							
Screened dependent	Baseline	0.0	50.0	0.0	100.0	66.7	0.0
	Follow-up	0.0	100.0	0.0	100.0	100.0	0.0

* For respondents providing substance dependence scores in both Baseline and Follow-up surveys.

With respect to case managed clients, high rates of dependence were found among heroin users, with 66.7 per cent of baseline respondents exhibiting positive dependence scores. Thirty per cent of alcohol users and 33.0 per cent of cannabis

users also screened as dependent at baseline. By the time of the Follow-up Survey, the proportion of those screening positive for dependence increased for alcohol, cannabis and heroin. All those using heroin screened as dependent by the time of the Follow-up Survey. Figure 24 shows that the proportion of respondents accessing drug and alcohol support services differs greatly across support groups, with approximately 60 per cent of single men accessing these services in the 12 months prior to the Follow-up Survey, but only 30 per cent of single women and 15 per cent of tenancy support respondents doing so. At the point of both the Baseline and Follow-up surveys, the vast majority of respondents who had accessed drug and alcohol support services during the previous 12 months had last accessed them within the prior three months. There was a decrease in the proportion of single men accessing these services, from 72 per cent in the 12 months prior to the Baseline Survey to 61 per cent in the 12 months prior to the Follow-up Survey. For the other cohorts, the proportion accessing these services during the previous 12 months did not change greatly between survey waves.

The proportion of respondents reporting that they required but were not able to access drug and alcohol support during the previous 12 months decreased from the Baseline to Follow-up surveys for all case managed cohorts except street-to-home (see Figure 25). This represents a positive outcome in terms of respondents being able to access drug and alcohol support services when required, and is consistent with improved access to allied health professionals.

3.5.4 Quality of life

The other issue examined in this section was quality of life. Quality of life was measured using the World Health Organization Quality of Life (Bref) Scale (WHOQOL-BREF). This instrument measures four domains including: physical aspects of wellbeing, such as pain and discomfort, energy and fatigue and work activity; psychological aspects of wellbeing, such as spirituality, learning and memory and body image; social relationships, such as personal relationships, sexual activity and social support; and environmental aspects of wellbeing, such as physical safety and security, financial resources, opportunities for acquiring new information and skills, home environment and health and social care.

Figure 26 shows the domain scores for the WHOQOL among respondents and includes the population norms (Hawthorne et al. 2006). There are apparent differences in the manner in which the scores changed across the domains and the support groups. An increase is observed in the physical domain scores of single men (61 to 67) and street-to-home clients (47 to 54), but a decrease for single women (63 to 60) and tenancy support clients (46 to 42). Little change was observed in the psychological domain for all client cohorts.

Scores in the relationships and environment domains improved for all client groups except for street-to-home. However, this could be due to small numbers in the street-to-home cohort. The positive outcome in relationships scores is of particular importance, as this was the area where the lowest scores were observed at the time of the Baseline Survey. Even with the increase in scores, respondents had lower mean scores for all QOL domains than the Australian population on average, with the mean score across all case managed clients being between 15 and 18 points less than the Australian norm for each domain.

Figure 24: Access to drug and alcohol support services in the previous 12 months, by time since the last consultation and support type

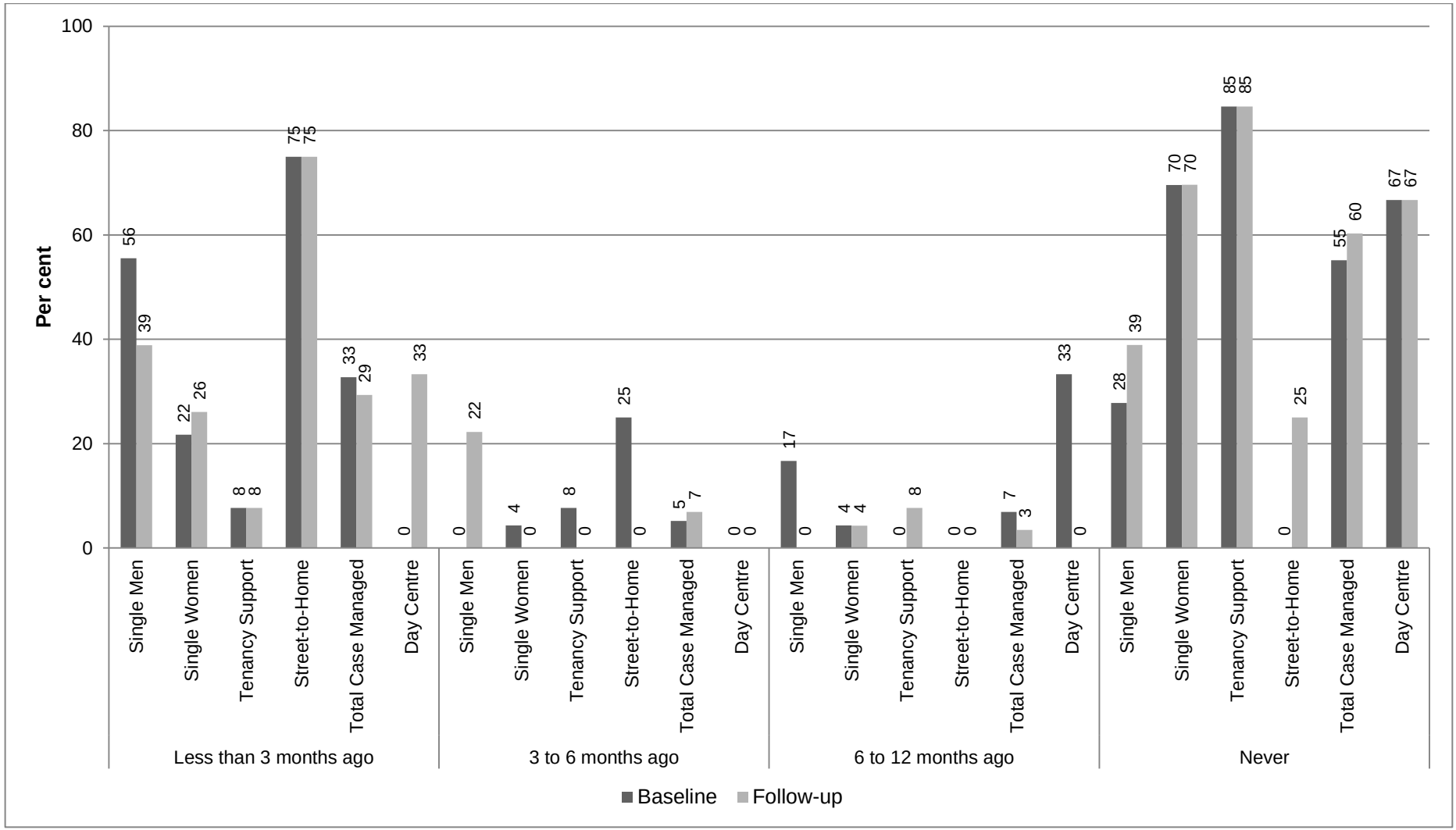
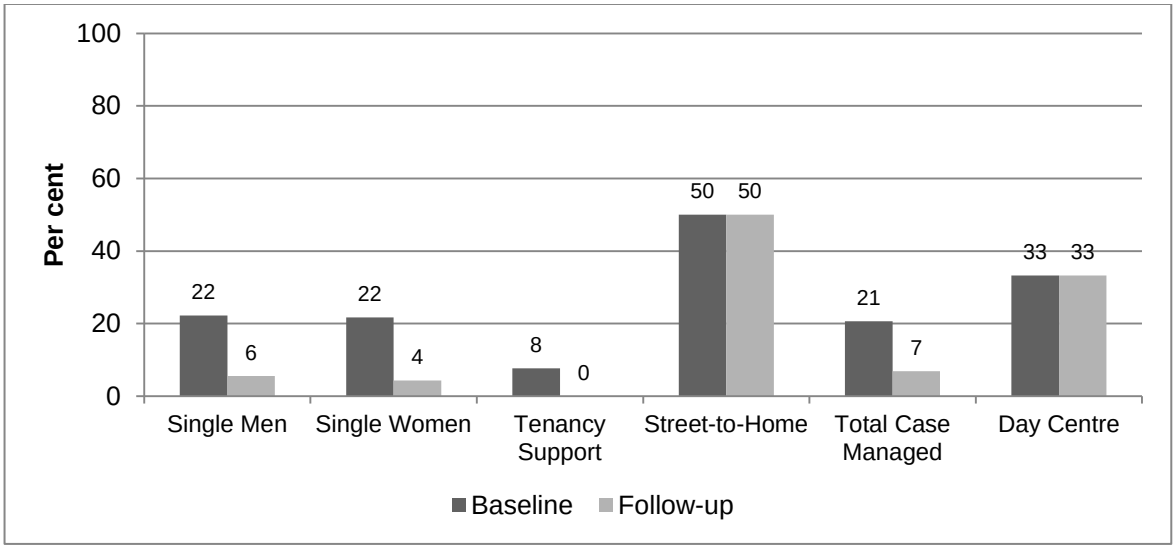


Figure 25: Required but was not able to access drug and alcohol support in previous 12 months, by support type



3.6 Other issues

3.6.1 Support services

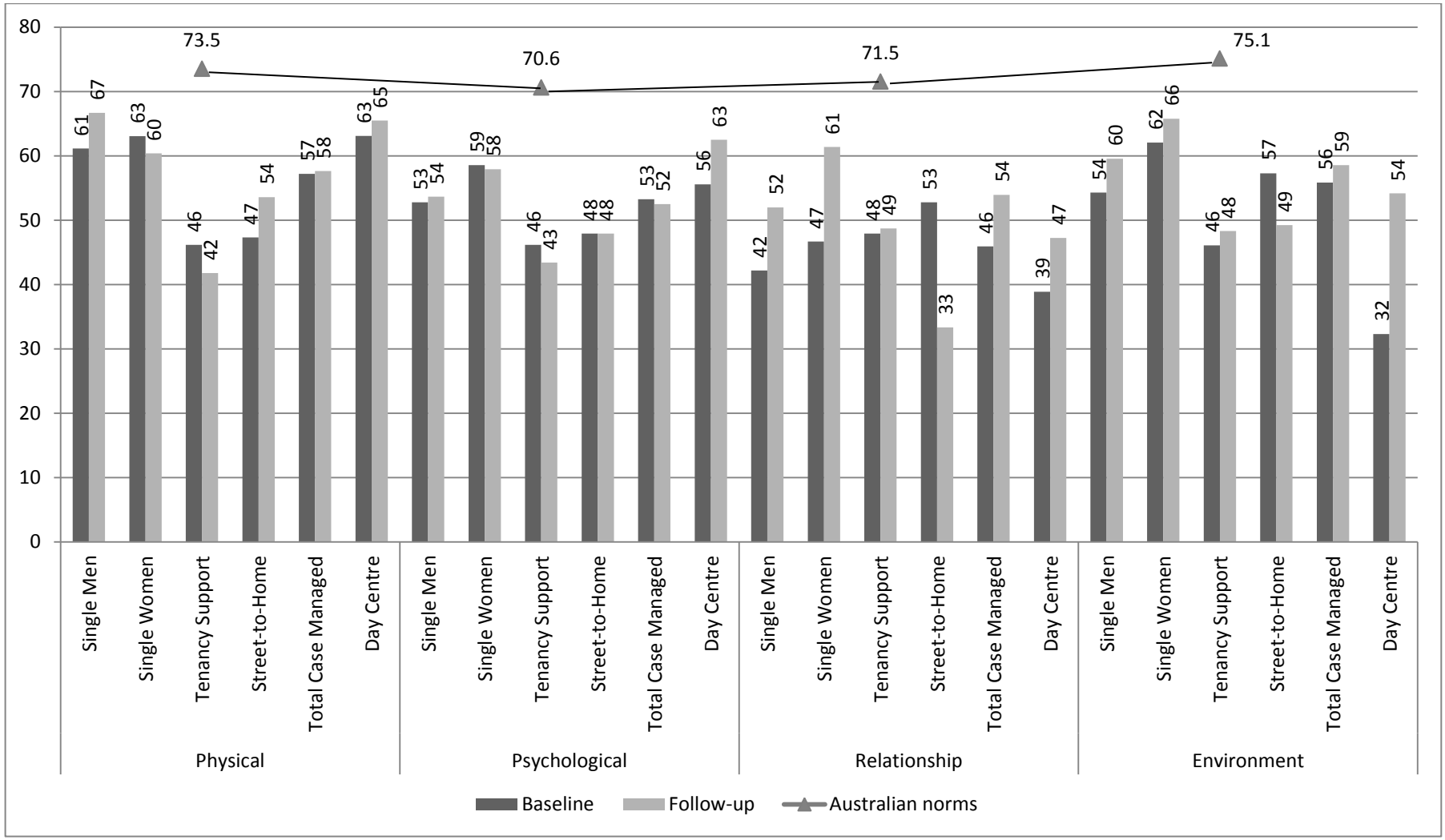
Respondent views regarding the importance of the baseline period of accommodation support and how it had affected their life were also examined in the Follow-up Survey through a series of standardised questions and open responses. Responses to these questions are important as they reflect respondents' views one year after the start of the support period, and typically several months after the support period was completed. Therefore they represent respondents' medium-term views of the impact and importance of the support received, which can be quite different to views expressed in a crisis situation.

Figure 27 shows that at the point of the Follow-up Survey the vast majority of respondents considered that it had been very important to receive the baseline assistance to meet their accommodation needs. Only a small percentage (11.1%) of single men and one street-to-home respondent considered that it had not been important. All day centre clients also reported that the assistance received at the time of the Baseline Survey was very important to them.

Examination of Figure 28 shows that the vast majority of respondents (78% of case managed and 100% of day centre clients) also considered that their understanding of the issues facing them and their ability to deal with them had improved since receiving support. The remainder generally reported that their understanding remained the same as prior to receiving assistance, with only 4 per cent of single women reporting that their understanding and ability to deal with issues had decreased.

Respondents were also asked about how they felt about various aspects of their life at the time of the Follow-up Survey, compared with prior to receiving support (see Figure 29). In the majority of instances, except in relation to employment and financial situation, respondents reported that they felt better about their situation or that it had remained the same. A comparatively small proportion reported that they felt worse. However, the level of improvement did vary markedly across support cohorts, with single women generally reporting they greatest level of improvement in how they felt about each aspect and tenancy support clients the least.

Figure 26: Average domain scores on the World Health Organization Quality of Life Instrument



Focusing on single men, 50 per cent or more felt better about their housing (67%), feeling safe (67%), feeling of community (53%), health (50%), neighbourhood they lived in (56%), ability to cope (83%) and overall satisfaction with life (72%). Only 44 per cent reported feeling better about employment opportunities and their financial situation, with 11 per cent reporting that they felt worse about employment opportunities and 22 per cent reporting feeling worse about their financial situation.

Single women generally display the most improvement, with over 50 per cent of single women reporting that they felt better about each of the aspects considered except for employment, where 41 per cent reported feeling better about their employment opportunities and 9 per cent reported feeling worse. Over 80 per cent of single women reported feeling better about housing (95%), feeling safe (86%) and the neighbourhood in which they lived (82%). Corresponding with this generally positive outcome for single women, 73 per cent reported feeling better about their overall satisfaction with life compared with prior to receiving support. However, only just over half (53%) reported feeling better about their ability to cope.

Figure 27: Respondent views of importance of receiving baseline assistance to meet accommodation needs, by support type

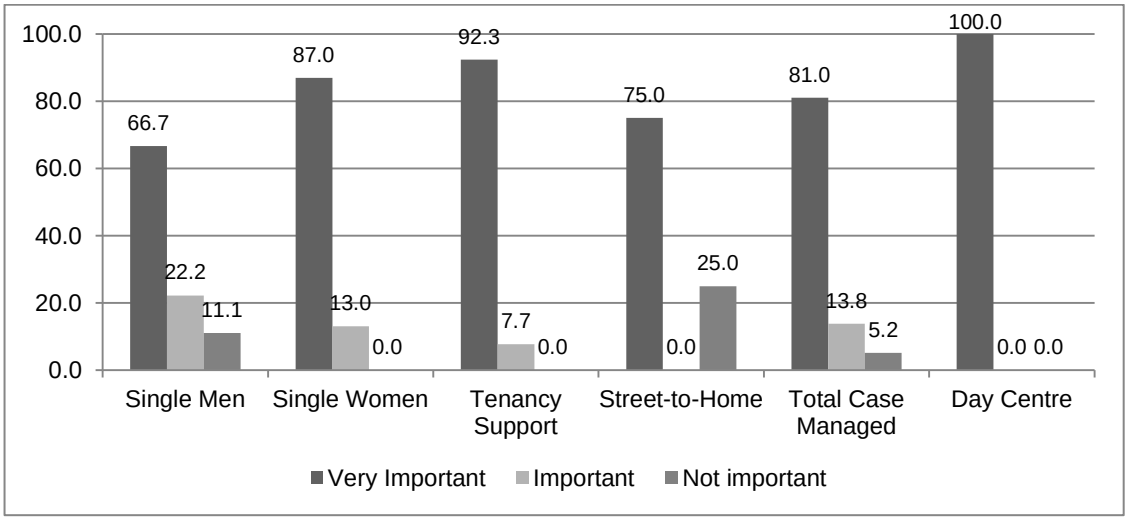


Figure 28: Respondent views of their current understanding of issues and how to deal with them, compared with prior to receiving support, by support type

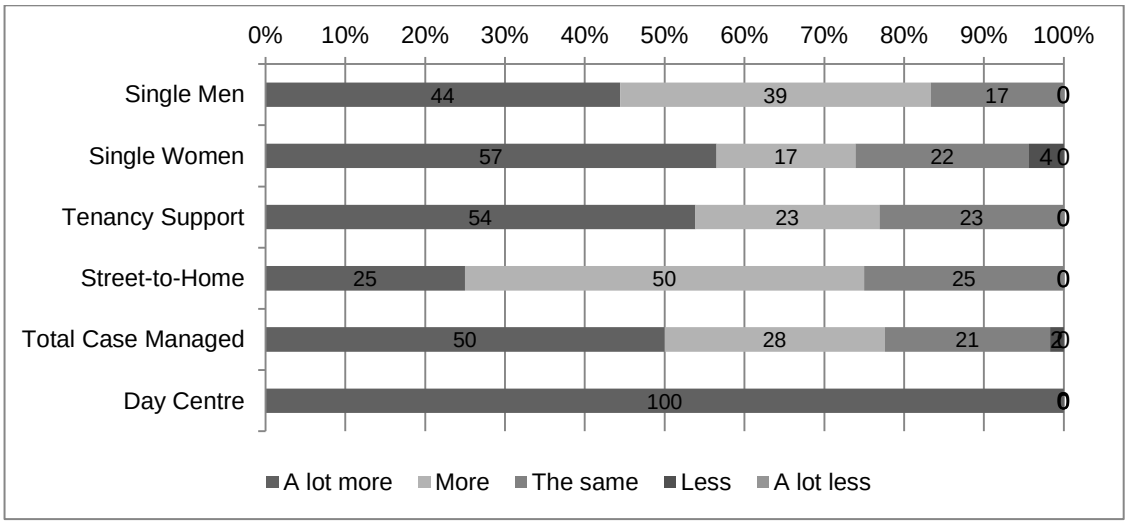
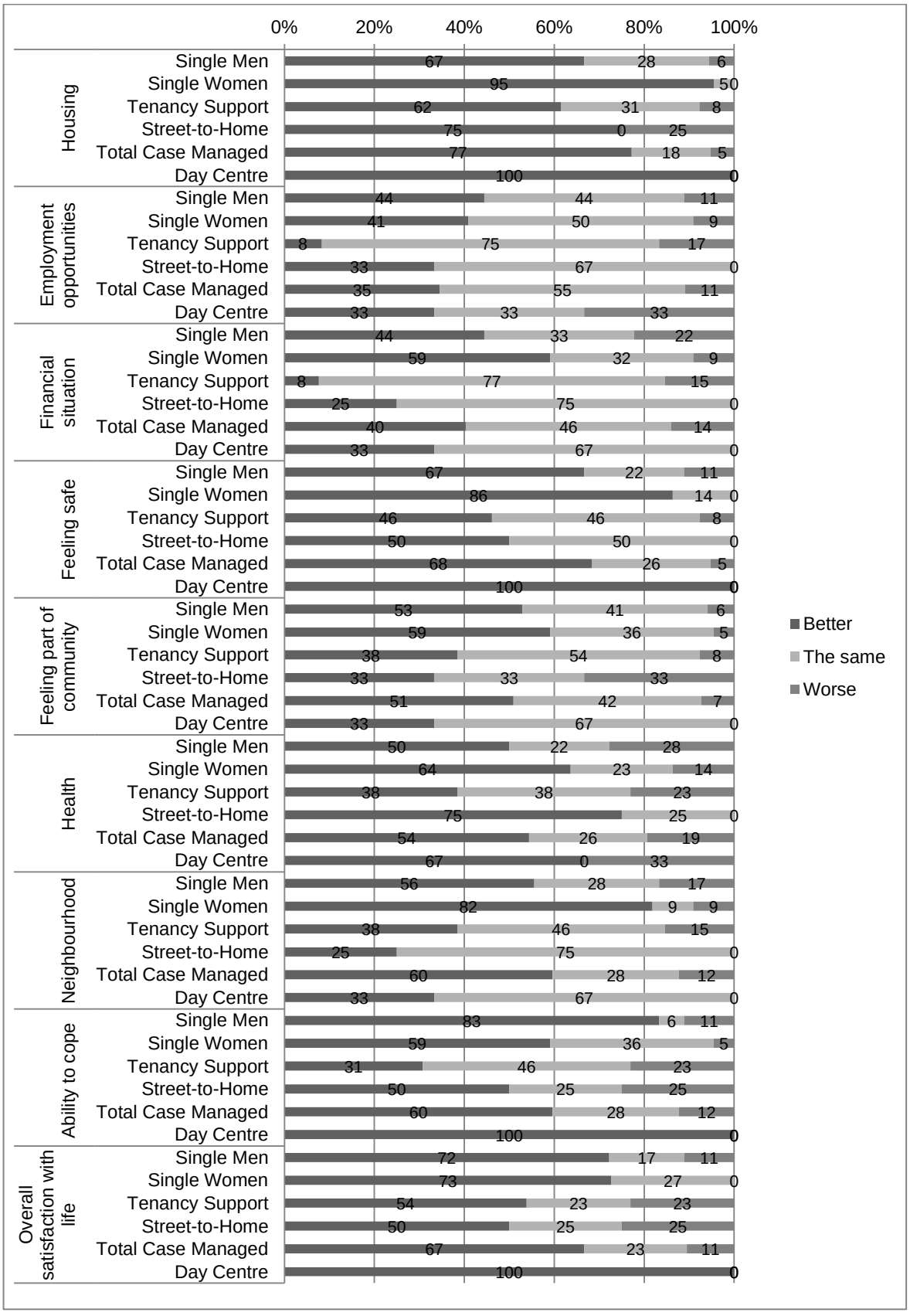


Figure 29: Respondent feelings of aspects of their life compared with prior to receiving support, by aspect of life and support type



Tenancy support clients were the least likely to report feeling better about each aspect of life, with the only areas where over 50 per cent felt better being housing (62%) and overall satisfaction with life (54%). Only 8 per cent felt better about their employment opportunities, with 17 per cent indicating that they felt worse. Similarly, only 8 per cent indicated feeling better about their financial situation, with 15 per cent feeling worse.

Interestingly, all day centre respondents reported feeling better about their housing situation, feeling safe, their ability to cope and overall satisfaction with life. Feelings about the level of improvement in other areas were more variable. It must be noted that the sample size was only three and there was likely to be a large sample bias in relation to those able to be contacted for the Follow-up Survey.

In the Follow-up Survey respondents were also asked to provide an open response to the question: 'what do you think may have happened if you had not received the period of accommodation related assistance 12 months ago'. The responses are tabulated in key categories and presented in Table 20. Across all case managed cohorts, over one-third considered that without support they might have experienced primary homelessness, with the proportion being higher for tenancy support (54.5%) and street-to-home (50.0%) respondents. Twenty-seven per cent of tenancy support respondents considered that they would have been evicted. All cohorts except street-to-home indicated that they would probably have had poorer outcomes across different aspects of health, namely: physical health (11.5%); mental/emotional health (17.3%); and continuing/reverting to drugs/alcohol (5.8%). Nearly 10 per cent indicated that potentially they would be dead or have committed suicide.

When considering possible justice related outcomes, a number of single men (16.7%) and street-to-home (25.0%) respondents believed they could have reverted to crime and/or be in prison; a small number of single women (5.3%), tenancy support (18.2%) and street-to-home (25.0%) respondents believed they would have been exposed to physical danger or sexual assault. Single women (5.3%) and tenancy support (18.2%) respondents also indicated that without support there would have been more disruption to their children's schooling. Ten per cent of single women also indicated that there was a possibility that they would not have access to their children if support had not been provided. Consistent with the comparatively small proportion of respondents who indicated that their feelings regarding their employment/financial position was better (Section 3.4), only a small proportion of clients indicated that they believed their employment/financial position would be worse without support.

Approximately 15 per cent of case managed respondents indicated that they did not believe the period of support had made a difference to their outcomes. Ten per cent of single women considered that they would have managed by themselves if support had not been available. Eleven per cent of single men did not consider the support had made any difference to their outcomes. A small number of single women (10.5%), tenancy support (9.1%) and street-to-home (25%, or one person) respondents expressed dissatisfaction with the service provided and/or stated that their support was withdrawn.

Table 20: Respondent views of possible outcomes had assistance not been received, by support type

	Single men	Single women	Tenancy support	Street-to-home	Total case managed	Day centre
	(n=18)	(n=19)	(n=11)	(n=4)	(n=52)	(n=2)
	%	%	%	%	%	%
Housing outcomes						
Primary homeless	33.3	31.6	54.5	50.0	38.5	0.0
Couch surfing/ backpackers	5.6	0.0	0.0	0.0	1.9	0.0
In/still in crisis accommodation	5.6	10.5	9.1	25.0	9.6	0.0
Evicted	0.0	0.0	27.3	0.0	5.8	0.0
Poorer housing outcome	5.6	5.3	27.3	25.0	11.5	0.0
Health/drugs/alcohol related outcomes						
Poorer physical health	11.1	5.3	27.3	0.0	11.5	50.0
Poorer mental/emotional health outcome	11.1	21.1	27.3	0.0	17.3	0.0
Would be dead/suicide	11.1	10.5	9.1	0.0	9.6	0.0
Continued/reverted to drugs/alcohol	5.6	10.5	0.0	0.0	5.8	0.0
Justice related outcomes						
Crime/jail	16.7	0.0	0.0	25.0	7.7	0.0
Exposed to physical danger/sexual assault	0.0	5.3	18.2	25.0	7.7	50.0
Robbed	0.0	0.0	0.0	0.0	0.0	50.0
Employment/finance outcomes						
Wouldn't be employed	0.0	5.3	0.0	0.0	1.9	0.0
Poorer financial position	5.6	5.3	9.1	0.0	5.8	0.0
Without food	5.6	0.0	9.1	25.0	5.8	0.0
Child related outcomes						
Disruption to children's schooling	0.0	5.3	18.2	0.0	5.8	0.0
No access to child, DCPFS take child	0.0	10.5	0.0	0.0	3.8	0.0
Other						
No opportunity to become a better person/parent /improve relationships	0.0	0.0	9.1	25.0	3.8	0.0
English skills would not have improved	0.0	5.3	0.0	0.0	1.9	0.0
General—situation would be worse	11.1	15.8	18.2	25.0	15.4	50.0
Support did not contribute to change in outcomes						
Would have resolved situation by self	0.0	10.5	0.0	0.0	3.8	0.0
Service made no difference	11.1	0.0	0.0	0.0	3.8	0.0
Dissatisfied with service/support withdrawn	0.0	10.5	9.1	25.0	7.7	0.0

3.7 Conclusion

In conclusion, the change in outcomes across all case managed respondents was in general positive, but did vary markedly across issues considered and respondent cohorts. A marked improvement in accommodation circumstances was observed for all cohorts, with fewer respondents experiencing homelessness. Those who did experience homelessness did so for a shorter period. In addition, nearly 85 per cent of case managed respondents reported living in long-term stable accommodation at the time of the Follow-up Survey, and nearly 90 per cent reported having lived in long-term stable accommodation circumstances during the 12 months prior to the Follow-up Survey.

A small but positive improvement was observed in employment circumstances. There was an increase in the proportion of single men and single women respondents employed. There was also a decrease in the proportion not in the labour force, particularly for single men who, additionally, reported a higher number of hours per week worked on average. No change in employment outcomes was observed for tenancy support respondents. Correspondingly, there was a small increase in the proportion of respondents reporting wages and salaries as their main income source.

The requirement for, and access to, health support services varied markedly by cohort. In general, fewer single men and single women respondents reported not being able to access health support services when required. Tenancy support respondents reported both increased use of health support services and an increased incidence of not being able to access them when required. In considering Quality of Life outcomes, not a lot of change was observed in relation to the physical or psychological domains. In contrast, a positive change was observed in the domains of relationships and respondent's environment. This is important, as relationships are the area where the lowest scores were observed at the point of the Baseline Survey. The importance of support was also evidenced by the fact that 12 months after the Baseline Survey, 95 per cent of respondents considered that being able to obtain support had been important and approximately one-third believed they would have been homeless if support had not been provided.

4 COST OFFSETS ASSOCIATED WITH HOMELESSNESS SUPPORT

4.1 Introduction

Integral to homelessness support is assistance with a range of non-homelessness issues that represent risk factors in homelessness, such as physical and mental health issues, drug and alcohol issues, financial problems and employment skills and access to a stable income source. There is increasing evidence that accommodation assistance provided by specialist homelessness services results in positive client outcomes in these non-homelessness areas. Where the change in client outcomes results in lower utilisation of non-homelessness services, the savings in the cost to government of providing these services represent cost offsets to the cost of homelessness programs. Where it results in an increase in the cost of non-homelessness services, this represents an additional cost to government of assisting clients to achieve a holistic improvement in both their accommodation circumstances and in other domains important to both maintaining stable accommodation and broader quality of life. The whole of government cost of specialist homelessness services is made up of both the cost of providing accommodation related assistance and the change in cost for non-homelessness services, whether it be a decrease or an increase.

The AHURI Baseline Report examined potential cost offsets in relation to health, justice, welfare payments, the cost of eviction from public housing and the cost of children being placed in care due to unstable accommodation circumstances, comparing the cost of utilisation of these non-homelessness services by clients of homelessness services with the Australian population in general. Across all case managed Baseline Survey respondents, the average annual cost to government of the services examined was $29 450 per client higher than for the Australian population. Of this: $14 507 per client related to high utilisation of health services; $5906 per client related to a higher level of contact with justice services; $6620 per client related to the receipt of welfare payments; $2342 per client related to children being placed in care due to unstable accommodation circumstances (predominantly single women and tenancy support clients; and only $75 per client related to eviction from public housing. The very small cost of eviction was largely due to very few clients being in public housing during the 12 months prior to the Baseline Survey. The difference between the cost of non-homelessness service utilisation by persons at risk of homelessness and the Australian population represents the potential value of cost offsets if service utilisation was able to be reduced to that observed for the Australian population on average. As pointed out in the AHURI Baseline Report, the high incidence of physical and mental health conditions, drug and alcohol use and low educational attainment of clients of homelessness services suggest that it is unlikely that this would be achieved. However, even if the reduction in the cost of non-homelessness service utilisation was as low as 10 per cent, this would substantially offset the cost of providing homelessness support, as well as providing substantial positive outcomes in quality of life.

We extend the analysis of cost offsets here by examining the change in the mean cost of utilisation of non-homelessness services for the matched sample of respondents for the Baseline and Follow-up surveys. This approach has the advantage of comparing utilisation for the same respondents, both prior to and post the period of homelessness support that occurred at the point of the Baseline Survey. It should also be noted that the period of homelessness support that occurred at the time of the Baseline Survey was not necessarily the only time respondents received support in

the 12 months prior to each survey. Also, the time over which that support period overlapped the 12 months prior to each of the Baseline and Follow-up periods will differ for each respondent, depending on the total length of the support period and the time between commencement of the support period and the point of the Baseline Survey, and the time between the Baseline and Follow-up Surveys being administered. These factors were not able to be controlled and it was not possible to determine the effect this had on non-homelessness service use in the baseline and follow-up periods.

We also recognise that when examining heath and justice services, the distribution of service utilisation is typically skew, with a lower limit of zero. Thus, the mean cost of non-homelessness services per client reported here is heavily influenced by respondents who report a high level of utilisation. These costs are real and should not be ignored. However, it is also important to examine the extent to which mean costs are influenced by a relatively small proportion of all respondents and the more 'typical' cost. Therefore the analysis of cost offsets for health and justice services is extended in Chapter 5 by examining the distribution of health and justice service utilisation and the associated change in cost of these non-homelessness services.

At each survey wave respondents were asked about their use of a range of health and justice services, income source including welfare payments, instances of eviction and instances of children being placed in care due to unstable accommodation during the previous 12 months. The difference between the cost to government pre support at the time of the Baseline Survey and post support at the time of the Follow-up Survey, potentially represents a cost offset to the cost of homelessness support. It is not possible to conclude that this difference relates solely to the period of homelessness support. As indicated at Figure 27, a small (5.2%) proportion of case managed respondents considered that the period of support was not important. However, the vast majority (81.0%) considered the period of support had been very important and a further 13.8 per cent considered it important. This provides evidence that although the period of support may not be the only factor influencing respondent outcomes and the associated change in cost to government of non-homelessness services, it was likely to be a major contributing cause.

It is also possible that the cost to government of non-homelessness services will increase, rather than decrease, as a result of a period of accommodation support. Homelessness support services take a holistic view of assisting clients to maintain stable accommodation. This might include assisting clients to: obtain appropriate assistance for physical and mental health issues or drug and alcohol problems; deal with domestic/family violence or other ongoing justice issues; obtain a stable source of income and manage their finances; and respond to and manage a range of tenancy issues. In the course of doing this it is possible that contact with health services will increase, providing clients with better health and life outcomes.

For example, a number of respondents reported that they had been newly diagnosed with mental health issues during the 12 months prior to the Follow-up Survey. Addressing these issues would potentially require access to mental health practitioners in order to obtain a positive outcome for the client and increase the possibility of being able to maintain stable housing. It is also possible that contact with justice services will increase, for example, where a person complies with the terms of their parole instead of not doing so; or they follow through with an ongoing issue in court. Where service utilisation increases, there is no cost offset. The cost to government, at least in the short term, is increased in line with the cost of increased service utilisation. Further longitudinal studies that track respondents over a longer

period of time are required to determine whether these costs decrease in the medium to longer term.

Cost offsets for health services, contact with justice services, welfare payments net of taxation receipts and eviction are presented in this report for single men, single women and tenancy support clients. The sample size for street-to-home and day centre clients was too small to examine the issue of cost offsets for these cohorts. No respondents in the matched sample had children placed in care due to unstable accommodation circumstances during the 12 months prior to the Baseline or Follow-up surveys, and it was not possible to conduct an analysis if the cost offset relating to such events. The incidence of children being placed in care was also very low in the complete baseline sample.

Health, justice and welfare payment cost offsets are discussed first. For each, the cost offset per respondent was estimated as the:

Average cost of non-homelessness service utilisation during the 12 months prior to the Follow-up Survey.
Minus
Average cost of non-homelessness service utilisation during the 12 months prior to the Baseline Survey.

The average cost of service utilisation in the 12 months prior to each survey wave was calculated across the matched sample of respondents from the Baseline and Follow-up surveys who provided all required information at both survey waves in relation to the issue being examined. In the case of health services, this represented the complete Follow-up Survey sample. Two respondents did not provide justice service utilisation responses at the point of the Baseline Survey, and these respondents were not included in the matched sample when considering justice service offsets. Similarly, two respondents did not provide all the required information related to welfare payments and taxation receipts and therefore were not included in the matched sample when estimating the related cost-offsets. The cost per incident represents the cost to government in 2010–11 dollars. This corresponds to the cost per incident applied in the AHURI Baseline Report and provides comparability with Baseline Report outcomes and the primary data collected from agencies regarding the cost of providing support. The Baseline Report provides details of the method and data used to calculate the cost to government per incident.

4.2 Health cost offsets

Examination of the change in utilisation of health services and the associated cost to government is provided in Table 21. The table reports the average incidence of contacts per respondent for each health service examined in the 12 months prior to the Baseline Survey, the 12 months prior to the Follow-up Survey and the change from Baseline to Follow-up. The average cost to government per incident was then applied to show the average cost per respondent in the 12 months prior to each of the Baseline and Follow-up surveys, as well as the change in the average cost per respondent. This was reported for single men, single women and tenancy support. The total column reports the average across these three respondent cohorts.

Across the three cohorts, single men, single women and tenancy support, the annual cost of health service use decreased by $1559/client, when comparing the 12 months prior to the Baseline Survey with the 12 months prior to the Follow-up Survey. The change in service utilisation varied markedly between cohorts, with health costs incurred by single men and tenancy support respondents increasing by $4640/client

and $3448/client, respectively, and the overall decrease being largely driven by the large decrease in health costs reported for single women respondents of $9295/client.

The overall change in the cost of health service utilisation was largely influenced by changes in the average utilisation of high-cost hospital, mental health, drug and alcohol and ambulance services. Single men reported increased: nights spent in hospital, from an incidence of 1.11 to 2.67 nights/respondent with an associated increase in cost to government of $2420/respondent; nights in a drug and alcohol facility, from an incidence of 8.33 to 13.55 nights/respondent with an associated increase in cost of $1770/respondent; and incidence of ambulance use, from 1.22 to 2.06 times/respondent with an associated cost increase of $653/respondent. Single men also reported less contact with GPs and medical specialists, and more contact with psychologists and nurses or allied health professionals. This outcome is contrary to what would be expected if support resulted in a client of homelessness services making less use of emergency and high-cost facilities, and more use of mainstream lower cost health supports such as GPs. The finding is consistent with anecdotal evidence that a significant proportion of single men do not seek assistance for health-related issues, and when they do obtain assistance the costs are often high. This issue is discussed further in relation to the distribution of respondent health costs, Chapter 5.

The change in service use and associated cost to government for single women shows an increased incidence of use of relatively low cost health services such as GPs, medical specialists, psychologists and nurse or allied health professionals, and a decrease in the use of higher cost services. The large decrease in the cost of health services for single women respondents is driven by decreases in: outpatient/day clinic service use, from a very high average of 17.04 incidents/year to 1.13 incidents/year with an associated saving of $2291/respondent; nights spent in hospital, from an average 2.87 to 1.78 nights/respondent, representing a saving of $1691/respondent; and nights spent in a mental health facility, from a very high average of 8.13 nights/respondent to 1.09 nights/respondent, representing a saving of $5283/respondent.

Tenancy support clients also reported an increase in the use of lower cost health services such as GPs, medical specialists and psychologists, and a decrease in the use of outpatient and day clinic services, decreasing from a high 8.38 to 2.62 incidents/respondent with an associated saving of $831/respondent. In contrast to other client cohorts, a large decrease in the cost to government was also observed in relation to the use of nurse or allied health professionals. The average number of contacts with the latter decreased from an exceptionally high 29.54 contacts/year prior to the Baseline Survey to 6.77 contacts/year, with an associated saving of $1617/respondent. The high average incidence in the baseline period is due to one respondent reporting daily contact, which did not continue for the subsequent 12 months. For tenancy support clients these savings were more than offset by a large increase in the cost of nights spent in hospital, where the average number of nights increased from 1.15 to 4.08 nights/respondent, with an associated increase in cost of $4548/respondent. As discussed below, almost half of this increase for tenancy support respondents was associated with a tenancy support plan. Therefore, this increase in health costs can, at least in part, be attributed to the holistic approach to dealing with issues affecting a person's ability to maintain stable accommodation.

Table 21: Health service utilisation in the 12 months prior to the Baseline and Follow-up surveys: incidence, cost and change

		Single men			Single women			Tenancy support			Total		
		Base	Follow-up	Change	Base	Follow-up	Change	Base	Follow-up	Change	Base	Follow-up	Change
Incidence per year—Average													
General practitioner		12.17	10.72	-1.44	8.22	12.39	4.17	20.08	21.15	1.08	12.39	13.94	1.56
Medical specialist		4.67	2.33	-2.33	2.04	3.57	1.52	3.23	5.54	2.31	3.20	3.63	0.43
Psychologist		3.44	4.83	1.39	5.17	7.65	2.48	5.46	6.23	0.77	4.67	6.37	1.70
Nurse or allied health professional		1.39	5.28	3.89	1.83	2.52	0.70	29.54	6.77	-22.77	8.35	4.46	-3.89
Casualty or emergency		2.06	1.83	-0.22	1.35	1.13	-0.22	1.08	2.00	0.73	1.47	1.57	0.10
Outpatient or day clinic*		0.44	1.33	0.89	17.04	1.13	-15.91	8.38	2.62	-5.77	9.43	1.56	-7.87
Ambulance		1.22	2.06	0.83	0.91	.57	-0.35	0.85	1.38	0.54	1.00	1.26	0.26
Nights in hospital		1.11	2.67	1.56	2.87	1.78	-1.09	1.15	4.08	2.92	1.87	2.63	0.76
Nights in mental health facility		2.11	1.56	-0.56	8.13	1.09	-7.04	.00	.08	0.08	4.17	1.00	-3.17
Nights in drug/alcohol centre		8.33	13.33	5.00	3.91	3.22	-0.70	.54	.92	0.38	4.57	6.04	1.46
Cost per year—Ave $	**$/ incident**												
General practitioner	44	535	472	-64	362	545	184	883	931	47	545	614	68
Medical specialist	70	327	163	-163	143	250	107	226	388	162	224	254	30
Psychologist	102	351	493	142	528	781	253	557	636	78	476	650	174
Nurse or allied health professional	71	99	375	276	130	179	49	2,097	481	-1,617	593	317	-276
Casualty/emergency	475	976	871	-106	640	537	-103	512	950	438	697	748	51
Outpatient/day clinic*	144	64	192	128	2,454	163	-2,291	1,207	377	-831	1,357	224	-1,133
Ambulance	784	958	1,612	653	716	443	-273	663	1,086	422	784	987	203
Nights in hospital	1,556	1,729	4,149	2,420	4,465	2,774	-1,691	1,795	6,344	4,548	2,910	4,092	1,181
Nights in mental health facility	750	1,583	1,167	-417	6,098	815	-5,283	0	63	63	3,125	750	-2,375
Nights in drug/alcohol centre	354	2,950	4,720	1,770	1,385	1,139	-246	191	327	136	1,619	2,137	518
Total health cost ($)		9,573	14,213	4,640	16,920	7,625	-9,295	8,132	11,580	3,448	12,331	10,772	-1,559

* Outpatient/day clinic includes such facilities in hospitals, mental health facilities and drug and alcohol facilities.

It should also be noted that there is a difference between the average cost of health services per respondent in the 12 months prior to the Baseline Survey for respondents who participated in both the Baseline and the Follow-up Surveys, compared with the complete baseline sample. For single men there was a marked difference: the average health cost for single men in the complete baseline sample was $24 848/respondent, over double that reported by single men respondents who participated in both the Baseline and the Follow-up surveys. The difference was not nearly as great for the single women or tenancy support respondents. The average cost per single woman in the complete baseline sample was $15 271/respondent, less than 10 per cent lower than that reported by the matched sample. The average cost per tenancy support client for the complete baseline sample was $6278/respondent, approximately 23 per cent lower than for the matched sample. Given this difference in baseline health costs for the matched sample compared with the entire baseline sample, caution should be used when generalising results.

The study by Flatau et al. (2008) of WA homelessness programs reported an increase in the cost to government of health services, when comparing health service use in the 12 months prior to and post a period of homelessness support. The sample included single men, single women and tenancy support clients, but also families and clients from services assisting persons exiting the prison system. The sample size was considered too small to examine change in service use by cohort, and some data limitations were noted in relation to determining the cost of hospital stays, resulting in the amount of the increase being sensitive to how this major cost item was calculated. Wilhelm et al. (2012) also report higher health costs in the first two years of previous rough sleepers being housed ($4331/year per housed client) compared with persons still sleeping rough ($2183/year per rough sleeper). They suggest that this represents a medium-term outcome and that longer-term data are required to observe cost benefits. This is an area where future research is required to obtain longer-term longitudinal data to determine consistency of results, ideally with larger matched samples.

4.2.1 Health costs incurred as part of a homelessness support plan

As part of a period of homelessness support, clients were also provided with assistance to access appropriate health facilities. The aim was to increase their opportunity to maintain stable accommodation, improve health outcomes and improve quality of life in general. This would potentially result in a higher utilisation of health services after a period of support than in the period prior to support, with the aim of improved health outcomes. To examine this issue respondents were asked whether any of the contacts they had with health services in the previous 12 months was part of a support plan associated with either supported accommodation or tenancy support. Outcomes reported here relate to the entire 12 months immediately prior to and post a period of homelessness support. Where a higher level of service utilisation was observed as a result of homelessness support, it was not possible to determine whether this related to a short-term intensive use of health services where that use and associated cost will decrease over time, or whether the higher level of health service use and associated costs was, or will be, ongoing.

Table 22 shows that in the 12 months prior to the Baseline Survey very few respondents had accessed health services as part of a support plan. In contrast, single women and tenancy support respondents reported that a considerable percentage of their health service utilisation in the subsequent 12 months did occur as part of a support plan. The increased service utilisation was largely for comparatively lower cost services. However, for tenancy support clients it was also observed for higher cost ambulance and hospital services.

Single men reported that around one-quarter (27.4%) of visits with a nurse or allied health professional in the 12 months prior to the Follow-up Survey were related to a support plan. This accounts for a portion of the increase in this contact type reported at Table 21. It is also reflected in the decrease in the proportion of single men who had never accessed an allied health professional, and a decrease in those who had required but not been able to access an allied health professional (reported in Chapter 3). This is consistent with better health outcomes for single men, but accounts for only a small portion of the increase in health service costs reported for single men. No single men reported that nights spent in hospital or drug and alcohol facilities, the high-cost health contacts, occurred as part of a homeless support plan.

Table 22: Health service use in the previous 12 months related to a homelessness support plan; expressed as a per cent of total cohort incidents, and cost per year

	Single men		Single women		Tenancy support		Total	
	Baseline	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**
Percentage of incidence relating to support plan (%)								
General practitioner	0.0	1.0	1.1	14.7	0.0	26.2	0.3	15.4
Medical specialist	0.0	0.0	2.1	34.1	0.0	50.0	0.6	32.7
Psychologist	1.6	1.1	2.5	4.5	0.0	30.9	1.6	9.9
Nurse or allied health professional	0.0	27.4	9.5	31.0	0.0	21.6	0.9	26.1
Casualty or emergency	0.0	0.0	3.2	0.0	0.0	7.7	1.2	2.4
Outpatient or day clinic	0.0	0.0	3.1	23.1	0.0	23.5	2.4	16.7
Ambulance	0.0	0.0	4.8	0.0	0.0	22.2	1.9	5.9
Nights in hospital	0.0	0.0	1.5	0.0	0.0	37.7	1.0	14.1
Nights in mental health facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nights in drug/alcohol centre	0.0	0.0	0.0	8.1	0.0	0.0	0.0	1.8
Cost per year relating to support—$ Average								
General practitioner	0	5	4	80	0	244	2	95
Medical specialist	0	0	3	85	0	194	1	83
Psychologist	0	6	13	35	0	196	8	64
Nurse or allied health professional	0	103	12	56	0	104	5	83
Casualty or emergency	0	0	21	0	0	73	9	18
Outpatient or day clinic	0	0	75	38	0	89	32	37
Ambulance	0	0	34	0	0	241	15	58
Nights in hospital	0	0	68	0	0	2,394	29	576
Nights in mental health facility	0	0	0	0	0	0	0	0
Nights in drug/alcohol centre	0	0	0	92	0	0	0	39
Total cost as part of support ($)	0	113	230	387	0	3,534	100	1,053

Single women reported that a small proportion of contact with health services in the baseline period resulted from periods of homelessness support in that period. This accounted for a comparatively small $230/respondent (of $16 920/respondent, Table 21). Examination of the proportion of contacts in the subsequent 12 months shows that a large proportion of the increase in use of lower cost mainstream health services discussed at Section 4.2 was associated with homelessness assistance support plans. Of all health service contacts reported for the 12 months prior to the Follow-up Survey, 14.7 per cent of GP, 34.1 per cent of medical specialists, 31.0 per cent of nurse and allied health professionals and 23.1 per cent of outpatient and day clinic visits were linked to a homelessness support plan. It should be noted that outpatient day clinic visits was defined to include such facilities in hospitals, mental health facilities and drug and alcohol facilities. A small proportion (8.1%) of the cost of nights spent in a drug and alcohol facility was related to a homelessness support plan. This finding is consistent with the discussion in Section 4.2, indicating that accommodation support for single women leads to improved access to health facilities provided through lower cost mainstream health services. Due to the comparatively low cost nature of services accessed as part of a support plan, on average these services accounted for $387/client of the health service cost incurred by single women respondents in the post-baseline period.

Tenancy support clients reported no use of health services as part of a period of support in the 12 months prior to the Baseline Survey, but that a substantial portion of health service utilisation experienced in the 12 months prior the Follow-up Survey was part of the homelessness support plan. Over 20 per cent of contacts with many lower cost health services were as part of a support plan: GPs (26.2%), psychologists (30.9%), nurse and allied health professionals (21.6%) and outpatient/day clinics (23.5%). In addition, 50.0 per cent of medical specialist visits were associated with a homelessness support plan.

This finding is consistent with findings presented at Section 3.5 that fewer tenancy support clients reported no access to GP and allied health professionals in the latter period. Section 3.5 also shows a substantial increase in the proportion of tenancy support respondents who had last accessed GP, allied health and psychologist services in the three months immediately prior to the Follow-up Survey compared with immediately prior to the Baseline Survey, suggesting that the higher level of support in relation to these health services may be ongoing at least in the medium term. There was a high incidence of higher cost ambulance services (22.2%) and nights spent in hospital (37.7%) as part of a homelessness support plan in this follow-up period. These higher cost services accounted for, on average, $241/client (ambulance) and $2394/client (hospital) of the cost of health services accessed by tenancy support clients in the follow-up period. Thus, a large portion of the additional health service cost observed for this cohort in the follow-up period compared with the baseline period relates to time spent in hospital as part of a homelessness support period. It was not possible to determine from available information the extent to which these costs would be ongoing in the longer term.

4.3 Justice cost offsets

Examination of the change in contact with justice services and the associated cost to government is provided in Table 23. The table reports the average incidence of contacts/respondent for single men, single women and tenancy support for each justice contact type examined in the 12 months prior to the Baseline Survey and the 12 months prior to the Follow-up Survey, and the change from Baseline to Follow-up. The average cost to government per incident is then applied to show average cost/respondent in the 12 months prior to each of the Baseline and Follow-up surveys,

as well as the change in the average cost/respondent. The totals report the average across the three respondent cohorts.

The average cost to government of justice contacts reported by the matched sample of respondents during the 12 months prior to the Baseline Survey was different to that reported for the complete Baseline Survey sample. For single men the average justice cost for the complete baseline sample was $11 261/respondent; the cost reported here is 18 per cent lower. For single women the average cost for the complete Baseline Survey sample was $3100/respondent; the cost reported here is 16 per cent lower. The difference relates primarily to the cost of contacts with the police as a result of being a victim of an assault or robbery, with the matched sample of respondents reporting approximately a 22 per cent smaller chance of this occurring than was reported by the complete baseline sample. A slightly larger difference is observed for the tenancy support cohort. The cost for the complete Baseline Survey sample was $4999; the cost reported here is 24 per cent higher. Again, the difference relates primarily to the cost of contacts with police as a result of being a victim of an assault or robbery, with the matched sample of respondents reporting over double the probability of this occurring than was reported by the complete baseline sample.

Across the three cohorts examined, the average cost of justice contacts had decreased from $6202/respondent in the 12 months prior to the Baseline Survey to $3806/respondent in the subsequent 12 months, representing a saving to government of $2397/respondent. The primary drivers of the decrease in costs related to: (1) a decrease in the incidence of contact with police that resulted from being the victim of an assault or robbery from 1.48 times/year in the baseline period to 0.50 times/year in the subsequent period, and an associated decrease in cost to government of $2153/respondent; and (2) a decrease in the average number of nights spent in prison from 5.23 to 0.27 per respondent/year and an associated decrease in cost of $1443/respondent. The decrease in incidence of being a victim of an assault or robbery was reported for all cohorts. Violent victimisation is a common experience associated with homelessness, including domestic/family violence, physical and sexual assault and robbery (Robinson 2010), and the decrease in these occurrences represents a major benefit of stable accommodation. The decrease in the average time spent in prison was driven by a large decrease for single men respondents. No respondents from the other cohorts reported spending time in prison in either the Baseline or the Follow-up surveys.

For single men, the average cost of contacts with justice services decreased from $9194/respondent in the baseline period to just $2748/respondent in the follow-up period. This represents a large saving to government of $6447/respondent, with the average cost for all contacts, except for visits from a justice officer, decreasing. The largest cost decreases relate to a reduction in: the instances of being the victim of an assault or robbery (a saving of $901/respondent); nights spent in prison (a saving of $4417/respondent); the number of nights spent in remand or detention (a saving of $699/respondent); and lower incidence of going to court (a saving of $598/respondent). This lower contact with the justice system also reflects substantially better outcomes for single men respondents.

Table 23: Table 23 Justice contacts in the 12 months prior to the Baseline and Follow-up surveys: incidence, cost and change*

		Single men			Single women			Tenancy support			Total		
		Base	Follow-up	Change	Base	Follow-up	Change	Base	Follow-up	Change	Base	Follow-up	Change
Incidence per year—Average		(n=17)			(n=23)			(n=12)			(n=52)		
Police contact:													
1. As victim of assault/robbery		0.88	0.47	-0.41	0.83	0.39	-0.44	3.58	0.75	-2.83	1.48	0.50	-0.98
2. Stopped in street		1.12	0.41	-0.71	0.74	2.65	1.91	0.42	8.33	7.91	0.79	3.23	2.44
3. Stopped in a vehicle		0.18	0.18	0.00	0.26	1.57	1.31	1.67	1.42	-0.25	0.56	1.08	0.52
4. Apprehended		0.76	0.47	-0.29	0.22	0.39	0.17	0.75	8.33	7.58	0.52	2.25	1.73
5. Visited by a justice officer		0.18	3.06	2.88	0.30	1.65	1.35	0.75	0.08	-0.67	0.37	1.75	1.38
6. Held overnight		0.41	0.12	-0.29	0.04	0.22	0.18	0.00	0.58	0.58	0.15	0.27	0.12
Court		1.53	0.82	-0.71	0.57	1.00	0.43	0.50	1.17	0.67	0.87	0.98	0.11
Night in prison		16.00	0.82	-15.18	0.00	0.00	0.00	0.00	0.00	0.00	5.23	0.27	-4.96
Night in remand or detention		2.59	0.00	-2.59	0.00	0.00	0.00	0.00	0.00	0.00	0.85	0.00	-0.85
Cost per year—Ave $	**$/ incident**												
Police contact:													
1. As victim of assault/robbery	2,197	1,933	1,033	-901	1,824	857	-967	7,865	1,648	-6,218	3,252	1,099	-2,153
2. Stopped in street	163	183	67	-116	121	432	311	68	1,358	1,289	128	526	398
3. Stopped in vehicle	82	15	15	0	21	129	107	137	116	-21	46	89	43
4. Apprehended	369	280	173	-107	81	144	63	277	3,074	2,797	192	830	638
5. Visited by a justice officer	163	29	499	469	49	269	220	122	13	-109	60	285	225
6. Held overnight	270	111	32	-78	11	59	49	0	157	157	41	73	32
Court	842	1,288	690	-598	480	842	362	421	985	564	733	825	93
Night in prison	291	4,656	239	-4,417	0	0	0	0	0	0	1,522	79	-1,443
Night in remand or detention	270	699	0	-699	0	0	0	0	0	0	230	0	-230
Total justice cost ($)		9,195	2,748	-6,447	2,586	2,732	146	8,891	7,351	-1,540	6,202	3,806	-2,397

* For a matched sample of respondents who provided responses to all relevant questions in both the Baseline and 12-Month Follow-up surveys.

Very little change is observed in the total cost of justice contacts for single women, with a slight increase over all cost types examined of $146/respondent. Examination of the individual contact types shows that the incidence of being a victim of an assault or robbery had decreased between survey periods, resulting in a decrease in cost of $967/respondent. This decrease is offset by an increase in all other police contacts and an increase in the incidence of going to court. It is possible that the increased incidence of visits by a justice officer and being in court relate to ongoing issues for single women, particularly domestic/family violence. If this is the case, the increased incidence of contacts will potentially be a medium-term outcome and result in lower contacts in the longer term as relevant issues are resolved.

The total cost of justice contacts for tenancy support respondents also decreased, by $1540/respondent. The nature of justice contacts reported by tenancy support respondents changed markedly from the Baseline Survey to the Follow-up Survey. Respondents reported a large decrease in being a victim of an assault or robbery, saving $6218/respondent. However, this was substantially offset by: (1) a large increase in the incidence of being stopped in the street by police, which increased 20 times with an associated additional cost of $1289/respondent; (2) being apprehended by the police, which increased approximately tenfold with an associated additional cost of $2797/respondent; and (3) the average number of times in court, which more than doubled, with an additional cost of $564/respondent.

The large increase in the average number of times a respondent was stopped in the street by the police and apprehended by the police was largely driven by a single respondent who reported each of these contacts occurring 100 times during the 12 months prior to the Follow-up Survey. It should be noted that this client moved out of their private rental accommodation at the start of the follow-up period and reported living with relatives and friends for the majority of the 12 months prior to the Follow-up Survey. This negative change in accommodation circumstances could account also for the high level of contacts with police. The same respondent (Respondent 58) is also discussed in Section 5.2 as a large user of health services, including reporting frequent and ongoing visits to a psychologist and a number of nights spent in a drug and alcohol facility: seven in 12 months prior to the Baseline Survey and 12 nights in the subsequent 12 months.

It is possible that some contacts with justice services were the result of a homelessness support plan. Discussion with supported accommodation services suggested that particularly where programs provide interventions in situations of domestic/family violence, clients often enter the program with a number of current and ongoing bail conditions, justice contact requirements, court orders, community orders and/or other current and pending legal or court processes. In circumstances where clients have bail conditions and justice and community orders, contact with justice services should be viewed as a positive outcome, both during and after exiting the support program, as it indicates that the client is cooperating and meeting the requirements set out by justice systems. To provide an example of the potential for a large number of contacts to be reported in a year, a client might have court orders requiring them to meet with a Community Corrections Officer each fortnight, undertake urinalysis two times a week and attend court hearings and/or case management meetings. In this type of case non-contact or reduced contact with justice services may represent a poorer outcome. The issue of the extent to which justice contacts related to meeting ongoing requirements extending from incidents that occurred prior to the period of support was not addressed in the survey. Therefore, data are not available to determine the extent to which, if at all, the change in justice service contacts occurred within the context of a support plan.

The WA study (Flatau et al. 2008) also reported a decrease in total justice costs incurred in the 12 months after a period of homelessness support, compared with the 12 months prior to the support. The study incorporated homelessness assistance services for persons leaving the prison system but the sample size was not sufficient to examine change in costs by cohort. Therefore the results are not directly comparable. Further evidence that justice costs are lower when people are in more stable accommodation circumstances is provided by Wilhelm et al. (2012), who reported that justice costs associated with housed street-to-home clients were just $161/year per client, compared with a considerably higher $5524/year for rough sleepers. Justice costs examined only included being stopped, interviewed and moved on in the street, so again are not directly comparable with the costs reported here. Further research into this issue is required to validate these results.

4.4 Welfare payments and income tax cost offsets

The third domain where the potential value of cost offsets is examined is any saving to government that arises from respondents entering the workforce as a result of being assisted to access more stable accommodation and receiving assistance to access employment and training as part of a period of accommodation support. This results in a decrease in welfare payments and potentially an increase in taxation receipts.

As discussed in Chapter 3, there was a small increase in employment for single men and single women from the point of the Baseline Survey to the point of the Follow-up Survey. An increase in hours worked per week was also observed for single women. Changes were also observed in the nature of welfare payment received. In order to estimate the impact of these changes on the cost to government, respondents were asked in each survey wave to provide details of their main income source each half-month for the previous 12 months. This provided more detailed information than would be available by just observing income status at a fixed point in time, as the main income source could change a number of times in a given period. Also, some respondents reported no income for a period of the year; in particular where the main income source changed between wages/salary and unemployment benefits during the year.

This information was used to determine the cost to government for welfare payments and any offsetting taxation receipts for the matched sample of respondents who provided all relevant information for each of the baseline and follow-up periods. Where the main income source was a government payment, it was assumed that the respondent was receiving the maximum payment given their marital status and number of dependent children. This is seen as a reasonable assumption, as only two respondents reported receiving both Newstart and a wage/salary in the same time period, and for each it was for a short period of time. Therefore it was considered unlikely that respondents would be receiving sufficient additional income to cause their welfare payment to be reduced below the maximum. To estimate taxation receipts where the main income source was income or wages, respondents were asked to provide details of the gross income received or, where this was not known, net income. This was used to impute the taxation liability based on 2010–11 taxation rates.

Table 24 illustrates the proportion of respondents in each cohort who reported a government benefit as their main income source during the 12 months prior to the Baseline and Follow-up Surveys; the average period of time (weeks) that income source was received; and the associated cost to government per respondent per year. Corresponding information is provided in relation to taxation receipts; the proportion of respondents who reported receiving wages/salaries as a main income source in the previous 12 months; the average period (weeks) over which wages/salaries

represented the main income source; the imputed taxation per person employed; and the imputed taxation per respondent. The value of imputed taxation was then deducted from the total value of government benefits paid to compute 'Net welfare payments'. The potential cost offset is represented by the change in 'Net welfare payments'.

Across all cohorts, the value of both government benefits paid and taxation receipts increased. Government benefits paid increased by $924/respondent (8.2%) on average across all cohorts and taxation receipts increased by $652/respondent (205.0%). The net effect is that 'Net welfare payments' increased by a small amount: $272/respondent or 2.5 per cent of the baseline cost. The increase was consistent across all respondent cohorts, largest for single men ($418/respondent or 5.4% of the baseline cost), and smallest for tenancy support clients ($26/respondent). Thus, no cost offset was observed in relation to 'Net welfare payments'.

This finding is in contrast to what might have been expected if just observing respondents' main income source at the point of the Baseline and Follow-up surveys, given that the proportion of respondents reporting wages/salaries as their main income source was higher at the point of the Follow-up Survey compared with the Baseline Survey. As can be seen in Figure 30, the primary driver behind the increase in 'Net welfare payments' relates to respondents reporting more consistent access to an income source across the latter period. Only half as many respondents from all cohorts reported a period with no income in the follow-up period compared with the baseline period, a decrease from 17 to 8 per cent over the three cohorts. Where they did experience a period of no income that period was markedly shorter: a decrease on average from 21 weeks to six weeks. Thus, even although no positive cost offset was observed, a marked decrease in instances of no income at comparatively little cost to government represents a positive outcome.

Further examination of Table 24 shows that for single men there was a net increase in government payments per respondent of $2024/year (23.8%). While Newstart benefits reduced, receipt of DSP/sickness benefits was higher in the period after the Baseline Survey [10]. This was the result of a larger number of respondents receiving DSP/sickness benefits in the latter period and for a longer period of time. Additionally, the fortnightly DSP/sickness benefit is greater than Newstart. Hence an increase in the proportion of government payments for DSP/sickness benefits also attributed to the increase in total government payments for this cohort. A slightly higher proportion of respondents reported wages/salaries as their main income source in the period after the Baseline Survey (47.1%) compared with prior (41.2%), but for a slightly shorter number of weeks on average: 32.1 weeks compared with 37.3 weeks in the baseline period. The rate of pay associated with that employment was higher in the latter period: on average by $280/week (43.8%). The net effect is an increase in imputed taxation per person employed of $3159/year (157.1%). This corresponds to an increase in taxation receipts to government of $1606/year per respondent.

[10] The proportion of single men respondents reporting their main income source as DSP/sickness benefits at the point of the Baseline Survey was 38.9 per cent or seven respondents (see Table 14). The proportion who received DSP/sickness benefits in the 12 months prior to the Baseline Survey was lower, at 29.4 per cent or five respondents. This difference can be explained. Of those reporting DSP/sickness benefits as their main income source at the point of the Baseline Survey: one respondent reported that immediately prior to the Baseline Survey their main income source was Newstart; one respondent did not provide details of main income source during the 12 months prior to the Baseline Survey and so was excluded from the matched sample. No other single men respondents reported receiving DSP/sickness benefits in the baseline period.

Table 24: Welfare payments and taxation receipts in 12 months prior to Baseline and Follow-up surveys: incidence, cost and change*

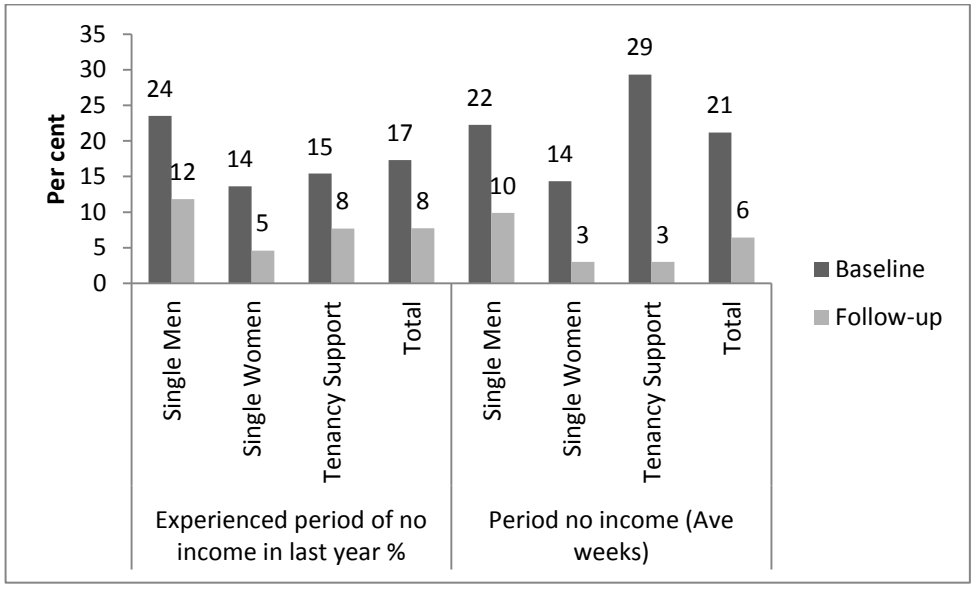
	Single men			Single women			Tenancy support			Total		
Income source	**Base**	**Follow-up**	**Change**	**Base**	**Follow-up**	**Change**	**Base**	**Follow-up**	**Change**	**Base**	**Follow-up**	**Change**
Newstart	(n=17)			(n=22)			(n=13)			(n=52)		
Received in previous year (%)	70.6	52.9	-17.7	54.5	54.5	0.0	23.1	30.8	7.7	51.9	48.1	-3.9
Period received (average weeks)	34.7	34.1	-0.7	40.2	43.2	3.0	35.4	30.4	-5.0	37.2	37.9	0.6
Cost per person/year ($)	5,678	4,213	-1,466	5,211	5,322	112	1,893	2,257	364	4,530	4,207	-323
DSP/sickness benefits												
Received in previous year (%)	29.4	47.1	17.7	18.2	36.4	18.2	46.2	53.8	7.6	28.9	44.2	15.4
Period received (average weeks)	27.4	38.2	10.9	52.1	35.6	-16.5	52.1	50.2	-2.0	43.9	40.9	-2.9
Cost per person/year ($)	2,819	6,309	3,490	3,324	4,265	940	8,090	8,474	384	4,364	6,013	1,648
Parenting payment												
Received in previous year (%)	0.0	0.0	0.0	31.8	22.7	-9.1	30.8	23.1	-7.7	21.2	15.4	-5.8
Period received (average weeks)	0.0	0.0	0.0	30.2	39.1	8.9	44.1	49.9	5.9	35.2	43.2	7.9
Cost per person/year ($)	0	0	0	2,884	2,666	-218	4,080	3,467	-613	2,240	1,995	-246
Other government benefits												
Received in previous year (%)	0.0	0.0	0.0	4.4	0.0	-4.4	0.0	0.0	0.0	1.8	0.0	-1.8
Period received (average weeks)	0.0	0.0	0.0	32.6	0.0	-32.6	0.0	0.0	0.0	32.6	0.0	-32.6
Cost per person/year ($)	0.0	0.0	0.0	369.8	0.0	-369.8	0.0	0.0	0.0	156.5	0.0	-156.5
Government benefits—$ Total	*8,498*	*10,522*	*2,024*	*11,789*	*12,253*	*464*	*14,062*	*14,197*	*135*	*11,291*	*12,214*	*924*
Taxation receipts												
Employed—received wages (%)	41.2	47.1	5.9	40.9	31.8	-9.1	7.7	7.7	0.0	32.7	30.8	-1.9
Period employed (average weeks)	37.3	32.1	-5.2	23.5	26.5	3.0	30.4	52.1	21.7	29.6	30.9	1.3
Income/person employed ($ average/week)	639	919	280	362	656	294	413	489	76	525	814	289
Tax/person employed/year ($ average)	2,011	5,170	3,159	274	1,091	817	0	1,412	1,412	974	3,152	2,178
Tax receipts per person/year ($)	829	2,435	1,606	112	347	235	0	109	109	318	970	652
Net welfare payments—$ Total	*7,669*	*8,087*	*418*	*11,677*	*11,906*	*229*	*14,062*	*14,088*	*26*	*10,972*	*11,244*	*272*

* For a matched sample of respondents who provided responses to all relevant questions in both the Baseline and Follow-up surveys.

Overall the change in government payments net of taxation receipts for single women was $229/year per respondent. The main increase in government benefits for single women was also for DSP/sickness benefits, with a small increase also observed for Newstart. A decrease was observed in relation to Parenting Payments and one respondent who reported receiving a Special Benefit in the baseline period and then Newstart in the follow-up period. The decrease in Parenting Payment is expected as eligibility is related to having children under a given age. It is also consistent with the decreased proportion of single women reporting this as their main income source at the point of the Follow-up Survey compared with the Baseline Survey. Overall government benefits increased by $464/year per respondent. In part this was offset by an increase in taxation receipts of $235/year per respondent. The increase in taxation receipts was primarily due to an increase in the weekly salary reported by respondents in the latter period of $656/week compared with $362/week in the period prior to theBaseline Survey.

For tenancy support respondents, the increase in government payments was all but offset by the increase in taxation receipts which gave a net increase in cost to government of just $26/year per respondent. Payment of both Newstart and DSP/sickness benefits was higher in the latter period and Parenting Payment was lower. The single respondent who reported being employed for part of the baseline period continued to be employed for the subsequent year at a slightly higher wage/salary per week, resulting in an increase in imputed taxation.

Figure 30: Period of no income in previous 12 months: prevalence and average time (weeks), by support type



4.5 Eviction from public housing

No respondents in the matched sample had experienced an eviction event from public housing in the 12 months prior to either the Baseline Survey or Follow-up Survey. Therefore it was not possible to directly estimate a cost offset relating to evictions. However, given the markedly higher proportion of respondents who had lived in public housing in the 12 months after support compared with the period prior to support, it is likely that the fact that no respondents reported an eviction event after receiving support is a positive outcome with an associated cost offset.

Baseline Survey findings showed that, across the complete Baseline Survey sample, where a person had been in a public tenancy during the previous 12 months, 50 per cent of single men had been evicted and 17 per cent of single women. No tenancy support clients had been evicted in the previous 12 months. However, at the point of the Baseline Survey very

few respondents, except for tenancy support clients, had been in a public tenancy during the previous 12 months (5.8% of single men and 8.1% of single women). This low incidence of respondents having been in public housing resulted in a low eviction rate when averaged across the total sample.

When considering the matched sample of respondents to both the Baseline and Follow-up surveys, the incidence of being in a public tenancy prior to the Baseline Survey was similarly low, at 5.6 per cent of single men and 8.7 per cent of single women. In contrast, in the 12 months prior to the Follow-up Survey, 27.8 per cent of single men and 73.9 per cent of single women had been in a public tenancy. As the vast majority of these respondents had not been in a public tenancy in the 12 months prior to the Baseline Survey, no information was available on the probability of them experiencing an eviction event. However, if it is assumed that the probability would be the same as that observed for the complete Baseline Survey, this would suggest that, without support, 13.9 per cent of single men and 12.6 per cent of single women respondents would have experienced an eviction event in the year. At a conservative estimate of $4800 per eviction (see AHURI Baseline Report) this implies a potential total cost of evictions of approximately $12 000 for single men respondents ($670/client) and $14 000 for single women respondents ($610 per client) in the 12 months prior to the Follow-up Survey.

Given the markedly higher incidence of respondents reporting having lived in public housing in the inter-survey period; that evictions were not observed suggests a positive cost offset relating to a decreased eviction rate. The low eviction rate after a period of homelessness support is consistent with WA Department of Housing (DoH) data. Of the 156 DoH NPAH tenancies established between May 2010 and June 2011 for specialist homelessness services clients, by June 2012 95.5 per cent had maintained their tenancies for 12 months or more and only approximately 4 per cent had ended in eviction (Department of Housing WA unpublished data). Further research is required to examine this issue.

4.6 Total value of cost offsets

Table 25 reports the total value of cost offsets across the non-homelessness services examined: health, justice, net welfare payments and eviction. The baseline estimate of the value of offsets refers to the mean change in health and justice costs and the mean change in net welfare payments. In the matched sample of Baseline and Follow-up survey respondents, no respondent reported eviction from public or community housing in either period. Therefore in the baseline scenario the cost offset in relation to eviction was zero for all cohorts. We then examined issues of sensitivity of total cost offsets to inclusion of eviction. Sensitivity of total offsets to issues surrounding the distribution of health and justice service offsets is discussed in Chapter 5.

Table 25: Total cost offsets, by support type (2010–11)

	Single men ($)	Single women ($)	Tenancy support ($)	Total
Health (mean)	4,640	-9,295	3,448	-1,559
Justice (mean)	-6,447	146	-1,540	-2,397
Net welfare payments	418	229	26	271
Total offsets	-1,389	-8,920	1,934	-3,685
Sensitivity—Eviction offsets				
Eviction	-670	-610	0	-480
Total offsets including eviction	-2,059	-9,530	1,934	-4,165

The baseline estimate of the total value of cost offsets across all cohorts was $3685/respondent. This represents potential savings to government from a reduction in utilisation of health and justice services, with a small increase in the cost of net welfare payments subsequent to the provision of support to prevent homelessness.

Although an overall decrease in costs was observed, there was a marked difference between the three cohorts. This emphasises the importance of examining each cohort separately. The total value of cost offsets for single men was $1389/respondent. This was primarily driven by a large reduction in justice related costs of $6447/respondent, which was in part offset by an increase in health costs ($4640/respondent) and a small increase in the cost of net welfare payments. For single women the value of offsets was large ($8920/respondent). This was almost entirely driven by a large decrease in health costs of $9295/respondent, with a small increase observed in the cost of justice services and net welfare payments.

For tenancy support clients there was no offset. Instead an increase in the cost of non-homelessness services of $1934/respondent was observed. This was primarily driven by an increase in health-related costs of $3448/respondent, which was partly offset by a decrease in justice costs of $1540/respondent. It should be noted that clients reported that approximately 30 per cent of health service costs ($3534/client) incurred in the follow-up period related to their homelessness support plan (compared with none in the baseline period). It was not possible to determine the extent to which these costs would have been incurred if the period of homelessness support had not occurred; however, they are approximately equivalent to the amount by which health costs for this cohort increased from the baseline to the follow-up period. Therefore it is feasible that the observed increase in cost is consistent with an approach of assisting clients to access a range of appropriate integrated services to manage both accommodation and non-accommodation issues affecting risk of homelessness.

It should also be noted that the sub-sample of tenancy support clients who participated in the Follow-up Survey was small (only 13 respondents). When examining the extent to which the sub-sample of tenancy support clients was representative of the complete baseline sample it was noted that tenancy support clients who participated in the Follow-up Survey were much more likely to have experienced previous periods of precarious living ($P = 0.018$). All Follow-up Survey respondents had experienced at least one period of precarious living and 38 per cent had spent ten years or more in precarious living circumstances. In comparison, 29 per cent of tenancy support respondents who did not also participate in the Follow-up Survey had never lived in precarious living circumstances and only 18 per cent had spent more than ten years in these circumstances. This difference may mean also that the previously unmet needs of this sub-sample of tenancy support clients are different to those of the complete baseline sample, and that the non-homelessness costs associated with meeting those needs will therefore be different. Therefore care should be taken when extrapolating these findings across all tenancy support clients.

Although no respondent reported an instance of eviction from public housing in either the Baseline or Follow-up survey, there was evidence to suggest that this might relate to the low incidence of respondents having a public housing tenancy in the baseline period. The eviction rate observed for the complete Baseline Survey sample suggests that a potential cost offset might exist in relation to incidence of eviction. If this eviction offset is included in the total offset, the ‘Total offset including eviction’ becomes: $2059/respondent for single men; $9530/respondent for single women; and $4165/respondent overall. No change is observed for tenancy support.

4.7 Conclusion

The value of cost offsets to the cost of providing homelessness assistance across all respondents was $3685/respondent. To the extent that the period of homelessness assistance resulted in the observed change in their utilisation of non-homelessness services, this represents potential savings to government to offset the cost of providing homelessness assistance. The size of the offset, and the factors that drive it, vary markedly with the client cohort. A positive offset of $1389/respondent and $8920/respondent, respectively, was observed for single men and single women. However, for tenancy support clients an increase was observed in the cost of health services and net welfare payments that more than offset the decreased cost of justice services. Consequently, the cost of non-homelessness services used by tenancy support clients increased by $1934/respondent. For single men the offset was driven by a large decrease in reported justice contacts, and for single women it was driven largely by a reduction in health service costs.

This suggests that overall a positive cost offset does exist to the government cost of providing homelessness assistance. Where there is an increase in non-homelessness costs it is primarily driven by better access to health services and respondents experiencing fewer periods with no income source. However, currently available data are not adequate to be able to discern the extent to which this higher use of services is appropriate, or the extent to which it is instrumental in obtaining improved accommodation outcomes. Further research is required to follow a large group of respondents over a longer period to examine whether these changes in non-homelessness costs are sustained in the longer term, or whether they represent medium-term outcomes only.

5 DISTRIBUTION OF HEALTH AND JUSTICE COSTS AND COST OFFSETS

5.1 Introduction

The distribution of health and justice service utilisation is typically skewed with a lower limit of zero. Thus the mean cost of health and justices services per client examined in Chapter 4 is heavily influenced by respondents who report a high level of utilisation. These costs are real and should not be ignored. However, it is also important to examine the extent to which mean costs are influenced by a relatively small proportion of all respondents, and the more 'typical' cost. Therefore we examine issues surrounding the distribution of the level of health and justice service utilisation, the change in service utilisation and the associated change in health and justice service costs. The distribution of net welfare payments was not examined as there was not the potential for a small number of respondents to be driving results in the same way as was observed for heath and justice costs. The vast majority of respondents received government benefits at some stage during each of the Baseline and Follow-up periods. Where respondents were employed, in the majority of situations the reported wage/salary was less than the equivalent of $37 000 per year.

5.2 Distribution of health service use and health cost offsets

Given the comparatively small sample sizes, the average incidence of health service utilisation and associated costs was influenced by the skew nature of the distribution and individuals with very high use of high-cost health services in either the baseline or follow-up period or both. We examine this issue in two ways: first by reporting on the nature of the distribution for each element of health service utilisation; second, by calculating for each respondent the total cost of health services used by that respondent, referred to as 'Total Respondent Health Cost', and reporting on the distribution of 'Total Respondent Health Cost'. This provides an indication of the 'typical' cost of health service utilisation and also the total cost for persons who are high users, particularly of higher cost services.

Table 26 reports details of the distribution of health service contacts. In the vast majority of cases it was not possible to conclude that the incidence of respondent contacts is normally distributed. In addition to significant positive skewness, in the vast majority of instances the kurtosis was large and positive, indicating that the distribution was much flatter than would be expected if it were normal. The only instances where the hypothesis, that both skewness and kurtosis are consistent with a normal distribution, cannot be rejected at the 5 per cent level are: GP visits reported in the Follow-up Survey for single men and tenancy support; medical specialist visits reported in the Baseline Survey for tenancy support; and hospital casualty/ emergency visits reported in the Follow-up Survey for tenancy support.

For every respondent cohort and health service the distribution of contacts was positively skewed and in most instances the level of skewness was significantly greater than zero. This positive skew is reflected in the mean number of contacts being greater than the median for all contact types. It was caused by the downside limit of zero contacts for each health service and a small number of respondents reporting a large number of contacts. This was also demonstrated by the large difference between the minimum and maximum number of contacts and the large standard deviation observed for each contact type.

Table 26: Distribution of health contacts, by service and contact type

	General practitioner		Medical specialist		Psychologist		Nurse/Allied health		Casualty/Emergency	
	Baseline	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**
Single men										
Mean	12.17	10.72	4.67	2.33	3.44	4.83	1.39	5.28	2.06	1.83
Median	7.50	9.00	0.00	0.00	0.00	0.00	0.00	0.50	1.00	0.50
Std. Deviation	13.29	7.20	11.72	5.40	11.66	9.62	2.59	10.44	3.35	4.67
Minimum	2	2	0	0	0	0	0	0	0	0
Maximum	55	26	50	20	50	39	10	35	10	20
Inter-quartile Range	11	10	4	1	1	6	2	4	2	1
Skewness	2.27	0.91*	3.80	2.64	4.19	2.98	2.46	2.14	1.84	3.87
Kurtosis	5.91	-0.16*	15.20	6.89	17.68	9.89	6.86	3.59	2.18	15.63
Single women										
Mean	8.22	12.39	2.04	3.57	5.17	7.65	1.83	2.52	1.35	1.13
Median	6.00	5.00	0.00	0.00	1.00	2.00	0.00	1.00	0.00	1.00
Std. Deviation	6.99	16.78	3.77	7.77	11.57	14.95	3.89	3.42	1.92	2.07
Minimum	0	0	0	0	0	0	0	0	0	0
Maximum	26	78	13	28	52	52	18	12	6	10
Inter-quartile Range	7	17	3	3	4	4	2	5	2	1
Skewness	1.39	2.95	2.05	2.59	3.47	2.45	3.59	1.58	1.35*	3.83
Kurtosis	1.54*	10.65	3.24	5.98	13.02	5.21	14.48	1.86*	0.58	16.60
Tenancy support										
Mean	20.08	21.15	3.23	5.54	5.46	6.23	29.54	6.77	1.08	2.00
Median	12.00	15.00	.00	3.00	.00	.00	.00	3.00	.00	2.00
Std. Deviation	27.70	15.86	4.94	7.49	12.49	14.83	100.83	10.50	2.97	1.78
Minimum	0	0	0	0	0	0	0	0	0	0
Maximum	100	52	12	26	40	52	365	38	10	5
Inter-quartile Range	20	18	8	10	3	5	4	10	1	3
Skewness	2.38	1.09*	1.15*	1.94	2.37	2.91	3.60	2.50	3.04	0.63*
Kurtosis	6.00	0.61*	-0.47*	4.10	5.00	8.71	12.98	7.04	9.55	-0.77*

* Less than two standard errors from zero, where the normal distribution is defined as having skew equal to zero and kurtosis equal to zero.

Table 26 (cont.) Distribution of health contacts, by service and contact type

	Outpatient/Day clinic		Ambulance		Nights in hospital		Nights in mental health facility		Nights in drug/alcohol facility	
	Baseline	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**
Single men										
Mean	0.44	1.33	1.22	2.06	1.11	2.67	2.11	1.56	8.33	13.33
Median	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00
Std. Deviation	0.98	4.69	1.90	4.70	2.54	4.72	5.89	6.60	27.06	28.89
Minimum	0	0	0	0	0	0	0	0	0	0
Maximum	4	20	7	20	10	15	21	28	110	98
Inter-quartile Range	1	0	2	2	1	2	0	0	0	9
Skewness	3.09	4.15	1.86	3.64	3.01	2.09	2.83	4.24	3.58	2.27
Kurtosis	10.78	17.42	3.98	14.29	9.43	3.32	7.20	18.00	13.25	4.41
Single women										
Mean	17.04	1.13	0.91	0.57	2.87	1.78	8.13	1.09	3.91	3.22
Median	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Std. Deviation	75.92	2.53	2.04	0.99	6.39	5.22	20.64	3.40	18.77	15.43
Minimum	0	0	0	0	0	0	0	0	0	0
Maximum	365	10	9	4	30	21	90	14	90	74
Inter-quartile Range	0	1	1	1	5	1	7	0	0	0
Skewness	4.78	2.61	3.21	2.25	3.78	3.25	3.32	3.33	4.80	4.80
Kurtosis	22.90	6.79	11.57	5.76	16.00	9.97	11.83	10.79	23.00	23.00
Tenancy support										
Mean	8.38	2.62	0.85	1.38	1.15	4.08	n.a.	0.08	0.54	0.92
Median	0.00	0.00	0.00	1.00	0.00	1.00		0.00	0.00	0.00
Std. Deviation	27.60	5.55	2.23	1.76	4.16	6.28		0.29	1.94	3.33
Minimum	0	0	0	0	0	0		0	0	0
Maximum	100	20	8	5	15	20		1	7	12
Inter-quartile Range	1	3	1	3	0	9		0	0	0
Skewness	3.57	2.98	3.21	1.26	3.61	1.65		3.46	3.61	3.61
Kurtosis	12.83	9.46	10.71	0.16*	13.00	2.25		12.00	13.00	13.00

*Less than two standard errors from zero, where the normal distribution is defined as having skew equal to zero and kurtosis equal to zero.

n.a. Not applicable. No respondent reported contact type.

For some health services the median instances of respondent contacts was zero. In particular, this was the case for higher cost hospital, mental health and drug and alcohol facility contacts, where the median number of contacts was zero in all cases except ambulance use by tenancy support clients in the Follow-up Survey and nights in hospital reported by single men and tenancy support clients in the Follow-up Survey. In each of these cases the median number of instances was one. In most instances, it is use of these high-cost services that drives the very high mean health costs incurred by persons at risk of homelessness. This suggests that for more than half of persons at risk of homelessness, the cost of health services will be lower than that mean.

It is also interesting to note that in the case of GP contacts, the direction of change of the mean number of contacts from the Baseline to Follow-up surveys was different to the direction of change of the median. For single men, the mean number of GP contacts decreased from 12.17 to 10.72 visits per year, but the median increased from 7.5 to 9.9 visits per year, suggesting that for the majority of single men the number of GP visits per year was higher in the post-support period. For single women the opposite occurred: the mean number of GP visits increased from 8.22 to 12.39 per year, but the median decreased from 6.0 to 5.0 per year. This suggests that for the majority of single women the number of GP visits was lower in the latter period. The increase in mean visits in the inter-survey period was driven by a small group of clients of services for single women. For tenancy support, both the mean and the median number of visits increased: the mean from 20.08 to 21.15 visits per year, and the median by a larger amount (from 12.0 to 15.0 visits per year).

The issue of high average health service costs being driven by a comparatively small number of individuals is interrogated further through examination of box plots displaying the distribution of reported incidents in the previous 12 months for each health service examined (Figures 31 to 33). The figures display the median, upper and lower quartile range and outliers. Outliers are labelled by respondent survey number as allocated at the time of the Baseline Survey. This provides visual representation of outliers and identification of where respondents report very heavy use of an individual health service or more than one type of health service. It also provides visual representation of whether that heavy use was consistent across the 12 months prior to each of the two survey waves. ‘W1’ refers to the number of contacts reported in the Baseline Survey and ‘W2’ to the number of contacts reported in the Follow-up Survey.

Figure 31 displays the distribution of health service costs reported for single men respondents. The median number of contacts is displayed by the heavy black line and is typically below half way between the upper and lower quartile range, reflecting the skew nature of the distributions. Examination of outliers shows that of the 18 single men respondents, 13 (72.2%) are identified at least once as an outlier when considering both the Baseline (W1) and Follow-up (W2) surveys. This shows that very heavy use of at least one health service was common for single men respondents. However, it was also evident that a comparatively small number of respondents accounted for a disproportionately large number of identified outlier events, with service use by four respondents (22.2%) being identified five or more times as an outlier. Of the total 41 outlier events identified, these four respondents accounted for 28 (or 68.3%) of these outlier events. Thus, although high health service utilisation in at least one service type was not uncommon, the very high average health care costs observed for single men was driven by approximately 20 per cent of respondents.

For example, health service utilisation by Respondent 112 remained high for both the baseline (W1) and follow-up (W2) periods, but the facilities accessed were different. Prior to the Baseline (W1) they reported 110 nights spent in a drug and alcohol clinic. In the subsequent 12 months (W2) they reported a smaller 30 nights spent in a drug and alcohol clinic. However, utilisation of other high-cost services was also high in this latter period with equivalent to monthly visits to a medical specialist; 20 contacts over the year with each of

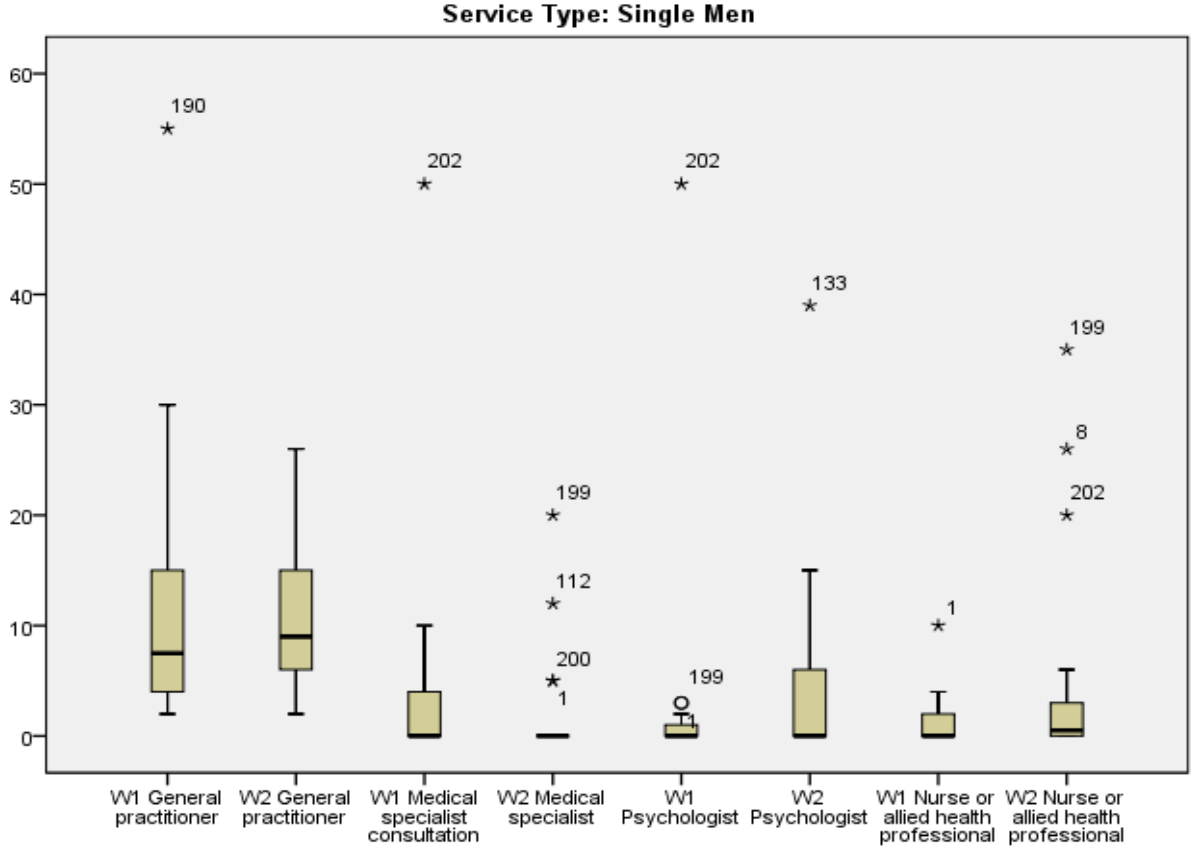
ambulance, casualty/emergency, outpatients or day clinic; and 20 nights in hospital. Health cost for this respondent would be high in both the Baseline and Follow-up periods.

Another example is Respondent 202, who reported high service use of a number of services in the 12 months prior to the Baseline Survey (W1), which decreased in the subsequent 12 months. In the 12 months prior to the Baseline Survey (W1), they reported equivalent to weekly visits to a medical specialist and a psychologist; ten visits to casualty/emergency; and nearly 20 nights in a mental health facility. In contrast, during the 12 months prior to the Follow-up Survey (W2), the respondent's use of these services was not shown as being an outlier; rather, they reported 20 visits for the year to a nurse or allied health professional. While this was still a higher than typical use of this service type, overall the annual cost to government in the latter period would be markedly lower. This is demonstrated at Section 5.2.1, where the decrease in health costs from the pre- to post-support period for this respondent was identified as an outlier.

Figure 32 shows a similar scenario for single women respondents. Of the 23 single women respondents, 16 (69.8%) were identified at least once as having a frequency of health service contact that was classified as an outlier. Of these, only four (17.4%) were identified five or more times. Of the total number of 49 outliers identified, these respondents accounted for 61.2 per cent. Thus, a higher than typical level of service utilisation in at least one area was not uncommon, but a comparatively small number of respondents reported very high utilisation over five or more areas. For example, in 11 instances the number of health service contacts reported by Respondent 164 was identified as an outlier. In the baseline period she reported 25 visits to the GP, ten to a medical specialist, four to a nurse or allied health professional, six instances of visiting casualty/emergency, 10 of visiting a day clinic or outpatients, four instances of requiring an ambulance and 90 nights spent in a mental health facility. In the follow-up period her time spent in a mental health facility was still identified as an outlier but was much smaller (9 days). In this period she also reported 16 visits to a psychologist, ten to a day clinic or outpatients and four instances of requiring an ambulance. She additionally reported 20 visits to a GP, but this was not identified as an outlier. Of all health service contacts reported for the follow-up period, three GP visits and three psychologist visits were reported as occurring as part of a homelessness support plan. Thus, while her high ongoing health service use was not being driven by a homelessness support plan, it may have been initiated by such a plan.

Figure 33 shows that high utilisation of health services was slightly more concentrated for tenancy support clients than the other two cohorts. Almost half (46.2%) of tenancy support clients were identified at least once as reporting a level of service utilisation identified as an outlier. Similar to the other two cohorts, the proportion of respondents whose level of service utilisation was identified as an outlier five or more times was 23.1 per cent. However, the proportion of all outliers associated with these heavy use respondents was higher, at 81.5 per cent. For example, at the Baseline Survey, Respondent 58 reported that in the previous 12 months they had visited a psychologist 40 times, a nurse or allied health professional eight times, been to casualty/emergency ten times, required an ambulance eight times and spent seven nights in a drug and alcohol facility. Similar high use was reported for the subsequent 12 months, with a slightly higher 52 visits to a psychologist and 12 nights spent in a drug and alcohol facility and a slightly lower four times that an ambulance was required.

Figure 31: Distribution of health contacts, single men (no. of contacts)



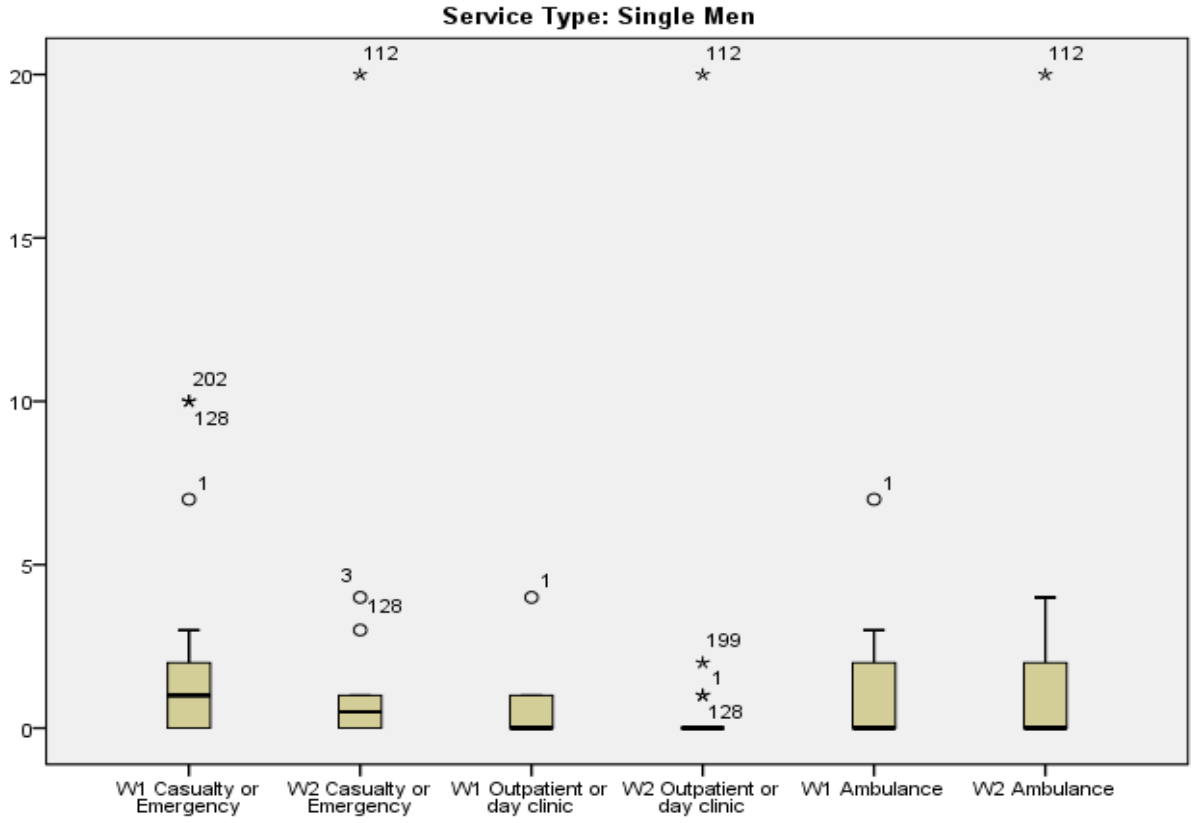
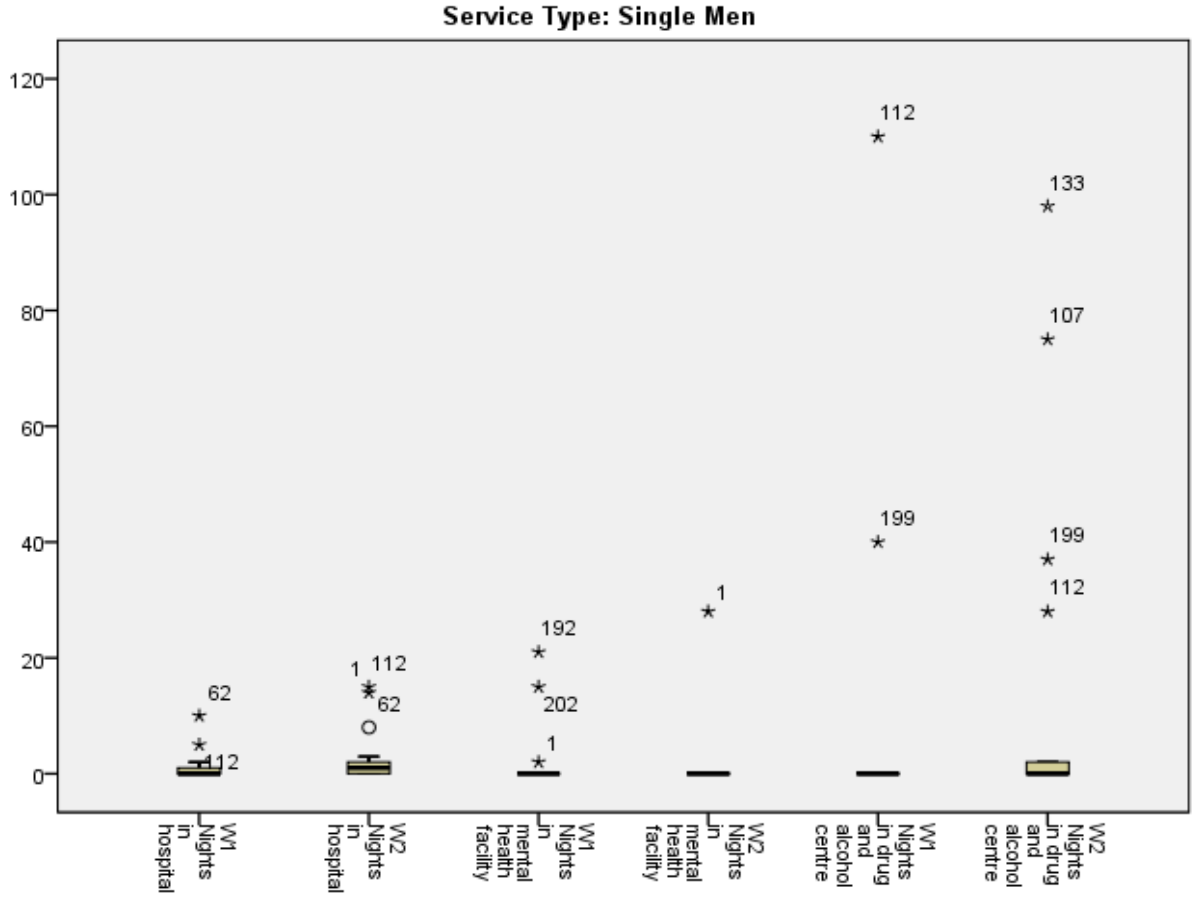
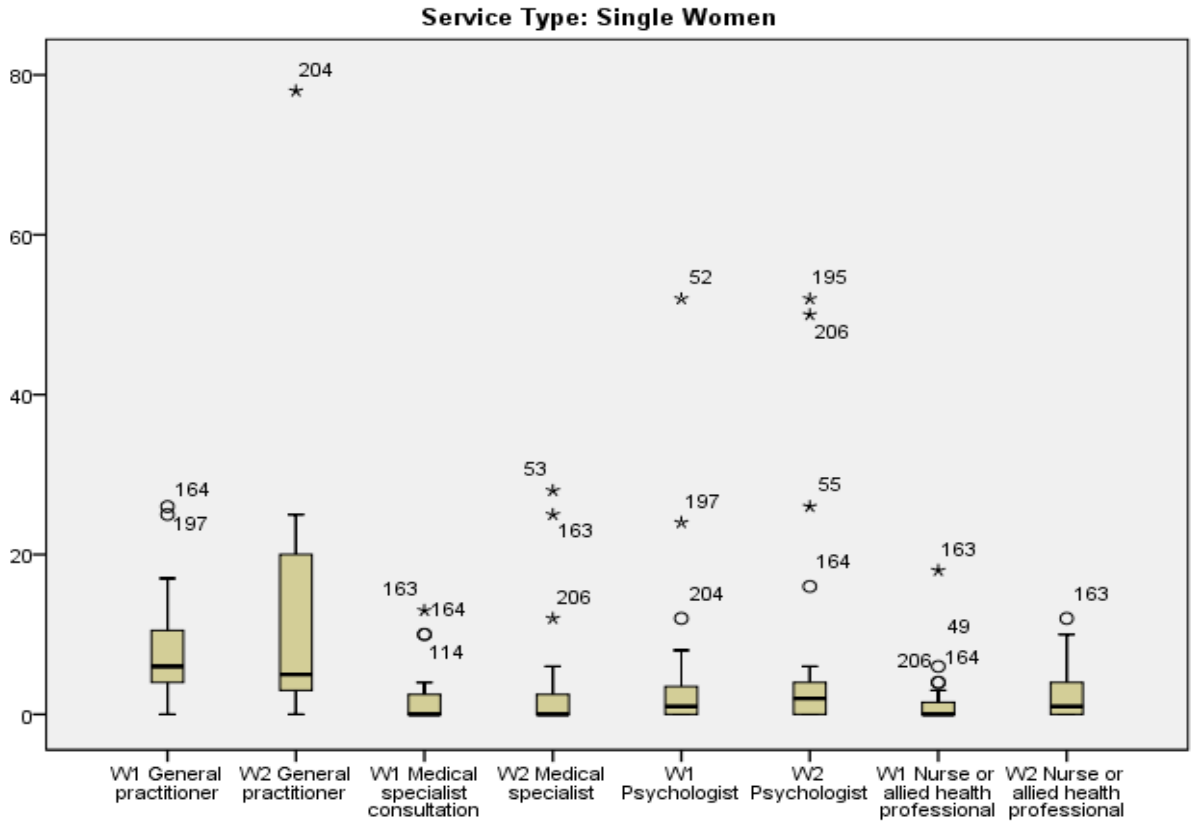


Figure 31 (cont.) Distribution of health contacts, single men (no. of contacts)



The respondent also reported a further eight visits to a nurse or allied health professional in the follow-up period, but this was not identified as an outlier due to the general increase in incidence of accessing this type of service in the follow-up period compared with the baseline. In each of the Baseline and Follow-up surveys they also reported 12 visits to a GP in the previous year; in the Follow-up survey they additionally reported five visits to casualty and nine nights spent in hospital, but these were not identified as outliers. None of these health service contacts was reported as occurring as part of a support plan related to tenancy support or supported accommodation.

Figure 32: Distribution of health contacts, single women (no. of contacts)



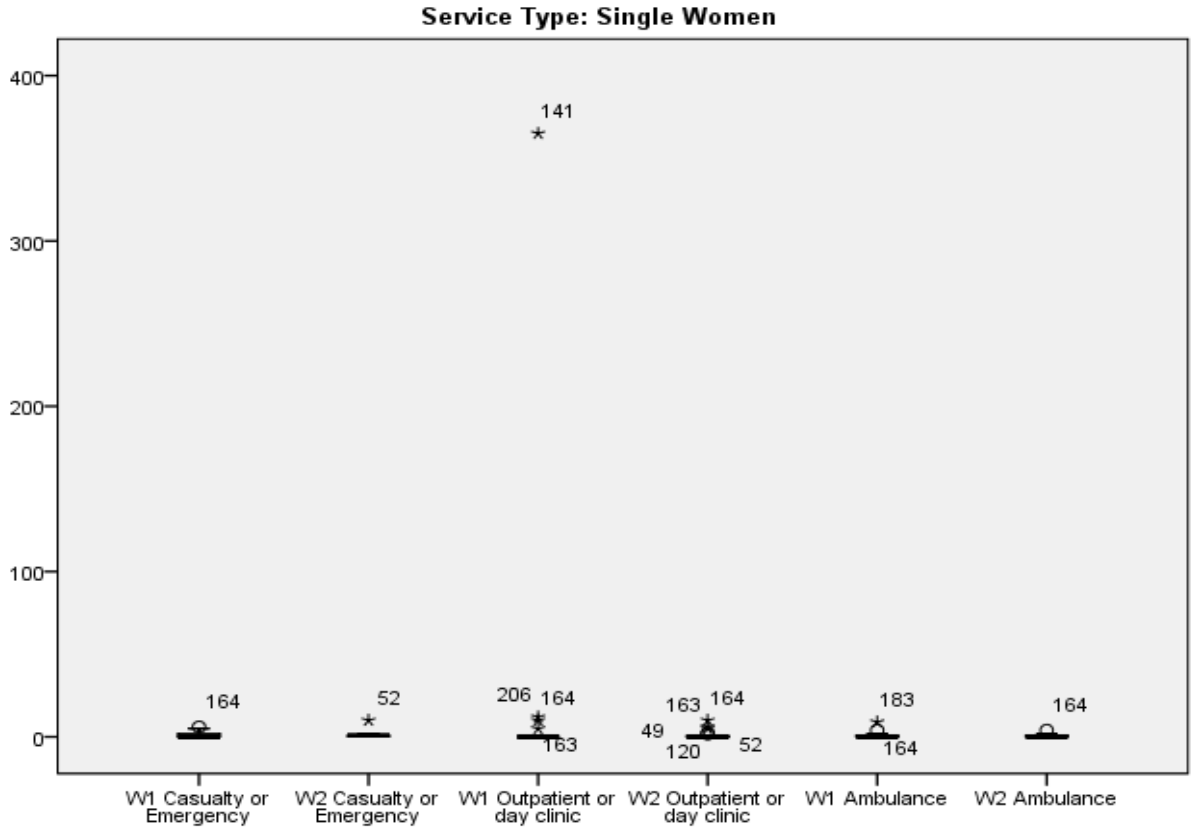


Figure 32 (cont.) Distribution of health contacts, single women (no. of contacts)

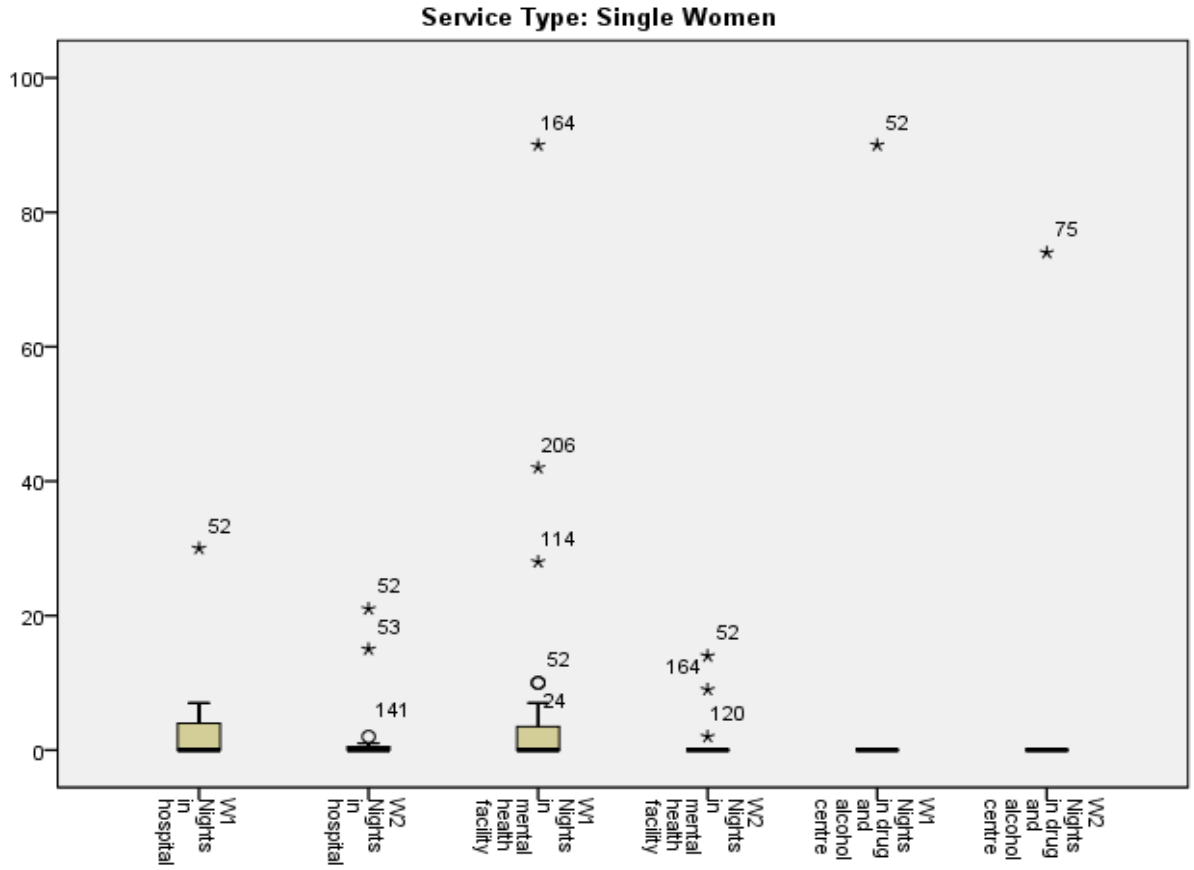
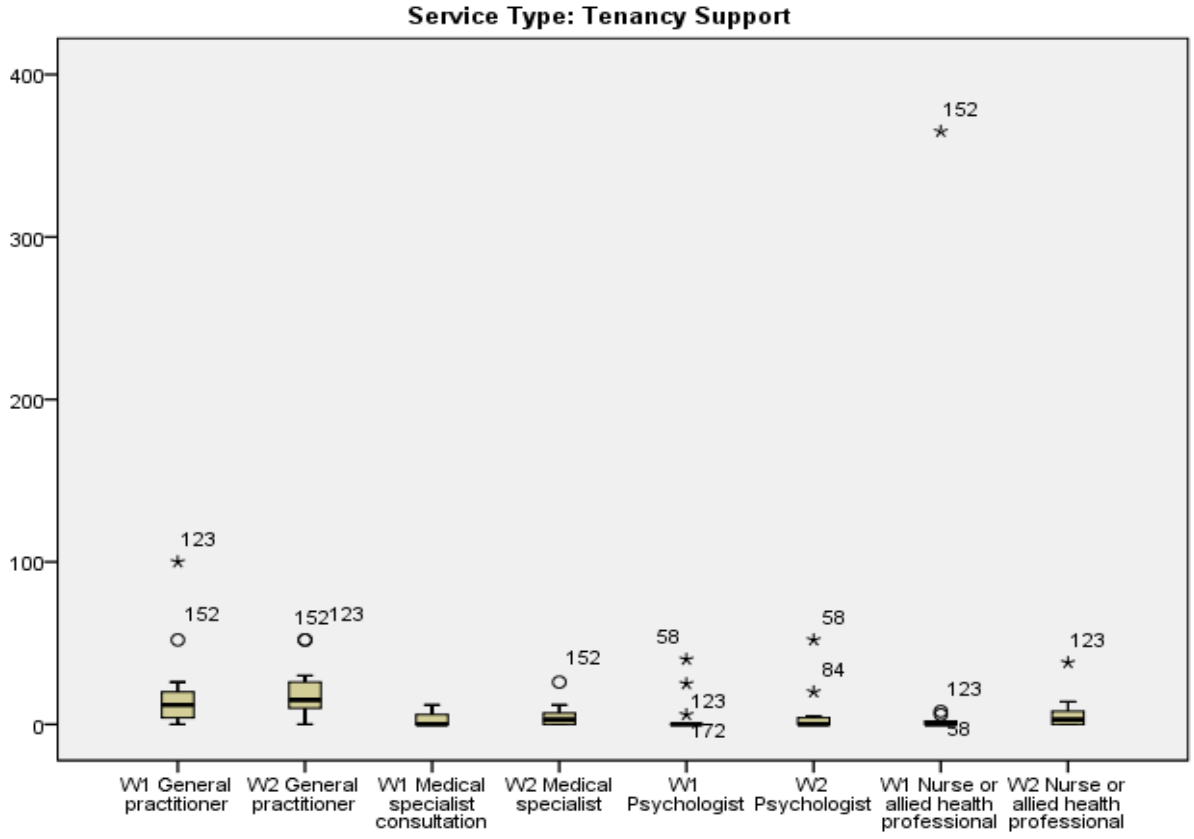


Figure 33: Distribution of health contacts, tenancy support (no. of contacts)



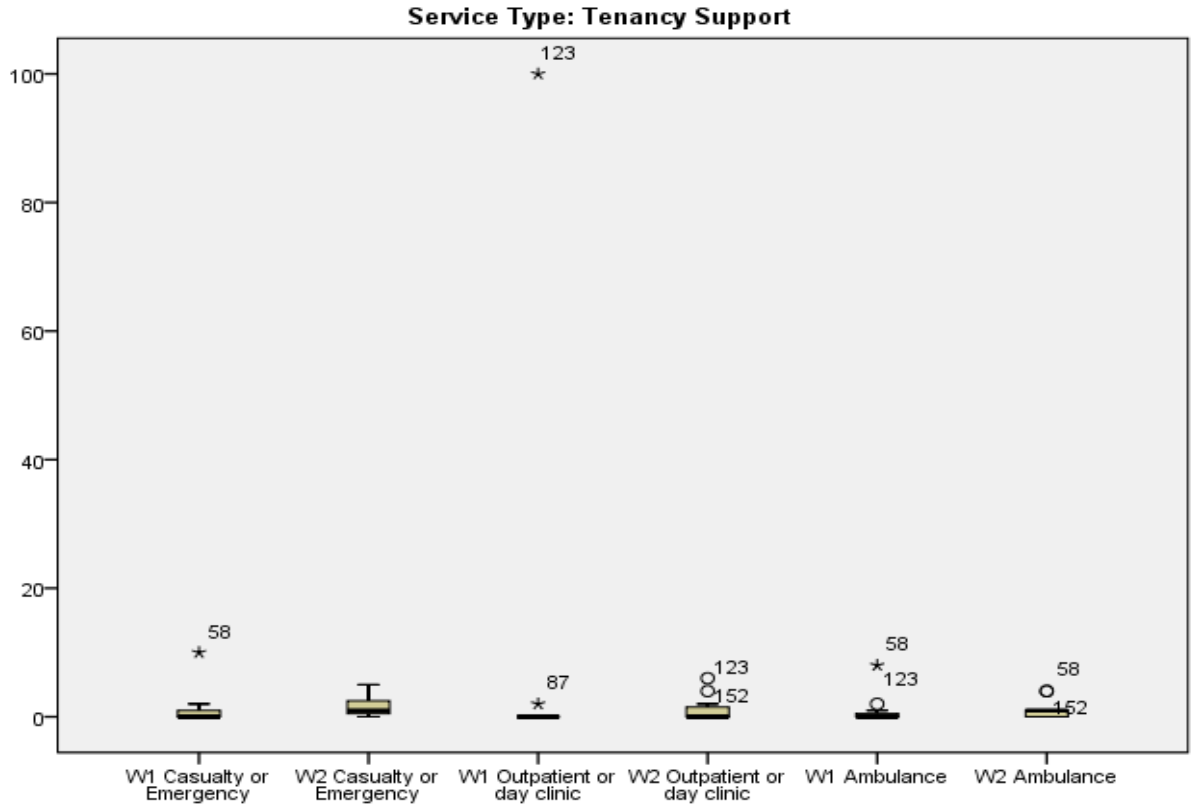
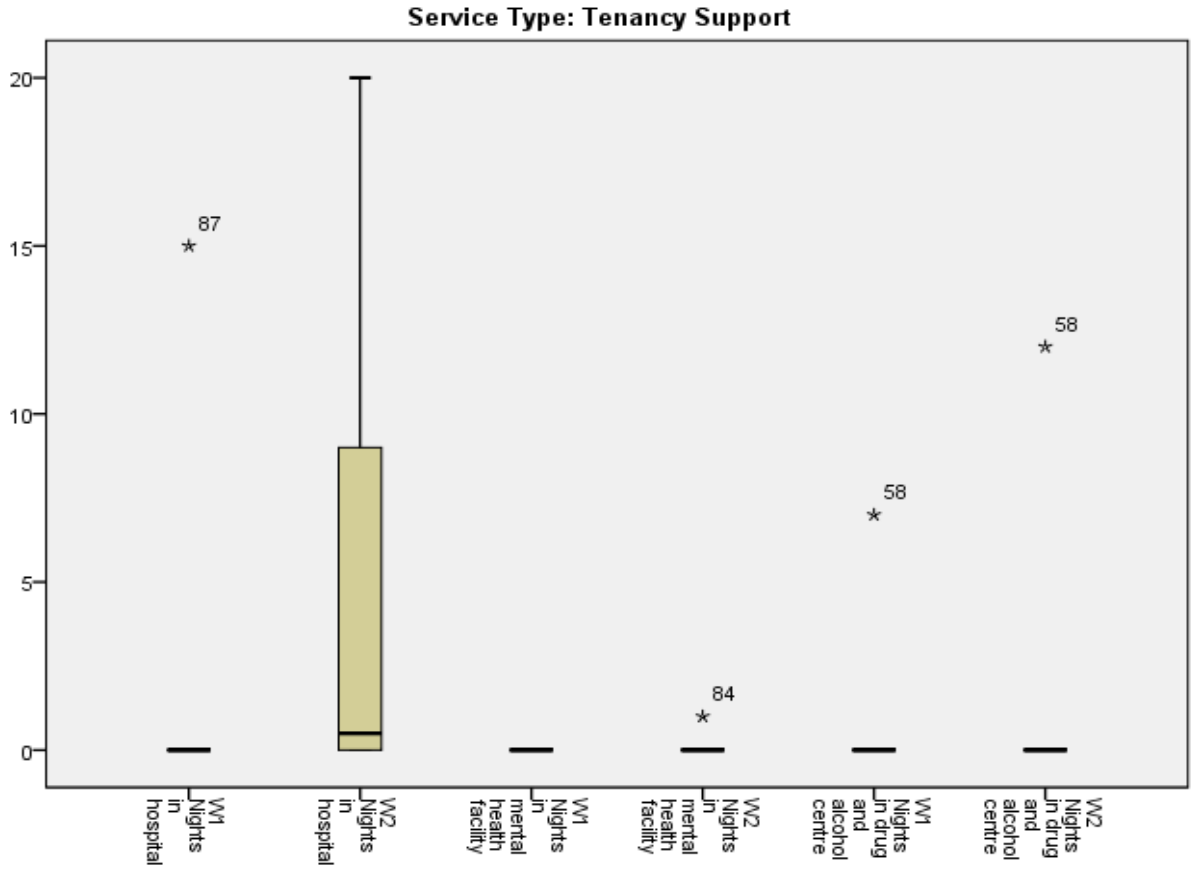


Figure 33 (cont.) Distribution of health contacts, tenancy support (no. of contacts)



5.2.1 Total respondent health cost and distribution

The final approach taken to examine the distribution of health costs is to calculate the total cost of health services for each respondent, and the change in total health cost for each respondent, and to examine the distribution of this 'Total respondent health cost' and 'Change in total respondent health cost'. For each respondent the total cost of reported health service contacts is determined for each health contact type, and summed to provide the total cost to government of health services used by that respondent in the 12 months prior to each of the Baseline and the Follow-up surveys. The 'Change in total respondent health cost' for each respondent is then calculated as the 'Total respondent health cost' during the 12 months prior to the Follow-up Survey minus the corresponding cost in the 12 months prior to the Baseline Survey.

The distribution of 'Total respondent health cost' and 'Change in total respondent health cost' is reported in Table 27. The associated graph of the distribution and box plots for each client cohort are presented in Figures 34 and 35. Reflecting the importance of outliers, the 5 per cent trimmed mean cost and the median cost are reported in Table 27 in addition to the mean. The 5 per cent trimmed mean represents the mean after excluding the top and bottom 5 per cent of observations. As the cost in each period has a lower limit of zero, the 5 per cent of lower values that are excluded would not be considered outliers, but the 5 per cent of upper values that are excluded would represent outliers. Where the trimmed mean is of most relevance is in examining the 'Change in total respondent health cost', as both extreme positive and negative values are observed, and this statistic estimates the mean change once these extreme changes are excluded. The spearman rank correlation between having experienced living in homeless circumstances in each period, the total time spent in homelessness circumstances and 'Total respondent health costs' in each period is also

calculated, as well as the relation between Indigenous status and ‘Total respondent health cost’. This is reported in Appendix 1 of this report.

Examination of Table 27 shows that the 5 per cent trimmed mean of the change in health costs across all cohorts is a decrease of $608/respondent. This is less than half of the mean decrease of $1559/respondent. Thus, excluding the extreme changes across all cohorts gives a more conservative view of the typical change in health costs and associated potential cost offset to providing homelessness assistance. Considering the individual cohorts, the 5 per cent trimmed mean of the change in health service cost is not as markedly different to the mean. The largest difference was observed for single women, where the 5 per cent trimmed mean of the change in cost is a decrease of $8161/respondent, compared with the mean decrease of $9295/respondent, a difference of 12.2 per cent. For tenancy support clients the 5 per cent trimmed mean of the change in cost is actually slightly larger than the mean.

As expected, the median total cost of health services per respondent was considerably lower than the mean total cost for each client cohort. This suggests that although on average costs/respondent across all cohorts was $12 331/respondent in the 12 months prior to the Baseline Survey, which decreased to $10 772/respondent in the 12 months prior to the Follow-up Survey (a decrease of $1559/respondent), more than half of respondents incurred much lower annual health costs than this, and the associated change in health costs was much smaller. When considering the median ‘Change in total respondent health cost’, the median change for single men respondents is an increase in cost of $1122/respondent, for single women it is a decrease of $3345/respondent and for tenancy support clients it is an increase of $2189. The direction of these changes is consistent with the direction of the change in mean costs. However, the magnitude of the change is much smaller: for single men the median increase in cost was only 24 per cent of the mean increase in cost per respondent; for single women the median decrease in cost was 36 per cent of the mean decrease in cost; and for tenancy support respondents the median increase in cost was 63 per cent of the mean increase. Over the three cohorts, the median ‘Total respondent health cost’ was almost the same in the 12 months prior to each of the Baseline and Follow-up surveys, at $4032 and $4428 respectively, and the median change in cost was a small increase of $241 per respondent (compared with a mean decrease of $1559/respondent).

When considering total respondent cost for individual cohorts, the hypothesis that the skewness and kurtosis is consistent with the normal distribution was rejected for total costs incurred in the baseline and follow-up periods for all except tenancy support clients in the baseline period, where the skewness and kurtosis of the distribution were not significantly different to what would be expected if the distribution of total costs were normal. In contrast, with respect to the ‘Change in total respondent health cost’, the hypothesis of normality is only rejected in relation to the level of skewness in the distribution for single women respondents (P = -2.36). Thus, although the ‘Total respondent health cost’ is, in general, not normally distributed, the ‘Change in total respondent health cost’ generally is. However, once all three cohorts are considered together, the hypothesis of normal distribution is rejected for both the total cost and the change in total cost.

Table 27: Distribution of 'Total respondent health cost' and distribution of 'Change in total respondent health cost', by support type

	Single men			Single women			Tenancy support			Total		
	Baseline	**Follow-up**	**Change in cost**	**Baseline**	**Follow-up**	**Change in cost**	**Baseline**	**Follow-up**	**Change in cost**	**Baseline**	**Follow-up**	**Change in cost**
Mean ($)	9,573	14,213	4,640	16,920	7,625	-9,295	8,132	11,580	3,448	12,356	10,772	-1,559
5 per cent Trimmed Mean ($)	7,808	12,271	4,267	13,664	5,805	-8,161	7,376	10,459	3,497	9,338	8,937	-608
Median ($)	4,107	4,599	1,122	8,413	2,744	-3,345	1,368	6,306	2,189	4,032	4,428	241
Std. Deviation ($)	13,088	18,183	14,994	25,896	12,263	20,975	11,568	13,282	9,275	19,485	14,727	17,871
Minimum ($)	132	352	-22,508	88	247	-62,661	0	1,259	-16,578	0	247	-62,661
Maximum ($)	50,773	63,032	38,502	94,581	50,419	22,461	29,882	41,980	22,479	94,581	63,032	38,502
Inter-quartile Range ($)	15,174	18,072	11,918	22,851	5,803	23,130	21,225	20,188	10,224	15,986	13,161	9,409
Skewness	2.08	1.69	0.87*	2.09	2.53	-1.13	1.07*	1.33	-0.06*	2.58	1.91	-1.06
Kurtosis	5.08	2.09	1.06*	3.67	6.50	1.22*	-0.77*	0.78*	1.80*	7.31	3.08	3.14

* Less than two standard errors from zero, where the normal distribution is defined as having skew equal to zero and kurtosis equal to zero.

Considering the level of skewness of the distribution, compared with the positive skew observed for the total cost in all situations, the change in total cost is negatively skewed for single women and once the three cohorts are combined. This suggests that the large decrease in mean cost reported for single women is driven by a comparatively small number of respondents.

The distribution of 'Total respondent health costs' is displayed in Figure 34. For each cohort, the figure shows: the proportion of respondents incurring 'Total respondent health costs' within each cost range; the average cost of health services examined in this study for the Australian population (see AHURI Baseline Report); and the mean 'Total respondent health cost' for that cohort for the baseline and the follow-up periods. For all cohorts the mean total cost of health services observed for both the Baseline and Follow-up periods was markedly greater than the Australian average of $2044/person. The spearman rank correlation (see Appendix 1) shows a significant positive relation between 'Total respondent health costs' incurred in the Baseline and Follow-up periods for each cohort. For single men the correlation is weakly significant ($\rho = 0.414$, $P = 0.088$); for single women and tenancy support respondents the correlation is significant at the 5 per cent level (single women $\rho = 0.519$, $P = 0.011$; tenancy support $\rho = 0.575$, $P = 0.04$). So there is some tendency for respondents who incur relatively high health costs in the pre-support period to also incur relatively high costs in the subsequent period. No significant correlation was found between health costs and either living in homelessness circumstances or length of time living in homelessness circumstances during the Baseline or Follow-up periods for any cohorts. The spearman rank correlation between Indigenous status and total health cost across the total follow-up sub-sample of single women, single men and tenancy support clients did not indicate a significant relation in either period. This differs from the findings for the complete baseline sample where Indigenous respondents were found to report a lower incidence of health service use than non-Indigenous respondents.

Considering single men, in the baseline period 'Total respondent health cost' was less than $1000 for 40 per cent of respondents, and a further nearly 40 per cent of respondents incurred total health care costs of between $10 000 and $70 000. Thus in the baseline period there was a high prevalence of both low and very high health care costs. Comparison of the baseline and follow-up distribution shows that the higher mean total cost observed in the follow-up period related to the proportion of single men incurring 'Total respondent health costs' less than $1000 decreasing sharply to 5 per cent. Thus from the baseline to the follow-up period there was a large decrease in the proportion of single men who incurred very low costs, and a very large increase in the proportion who incurred costs in the $1000 to $10 000 range (up to around 65% in the latter period). The proportion of respondents incurring health costs greater than $10 000 did not change markedly between the Baseline and Follow-up surveys.

In contrast, for single women respondents the mean 'Total respondent cost of health services' decreased from the baseline to the follow-up period. This related to the extreme total costs in the $70 000 to $100 000 range incurred in the Baseline period not being observed in the latter period, and a larger proportion of respondents reporting health costs of between zero and $2000. There was only a minor decrease in the proportion of respondents reporting health care costs in the range of $10 000 to $40 000.

Similar to single men respondents, in the baseline period tenancy support clients reported a high prevalence of both lower and higher health costs. Close to 40 per cent of tenancy support clients incurred health costs of less than $1000 in the baseline period, and around 70 per cent incurred health costs of less than $3000. The high mean cost relates to the remaining approximately 30 per cent of respondents incurring relatively high costs of between $15 000 and $30 000/year. As with single men, in the subsequent period the proportion of tenancy support clients incurring very low costs of less than $1000 decreased,

in this case to zero in the latter period. Around 70 per cent of respondents reported health costs of between $1000 and $10 000 per year. Similar to the baseline period, around 30 per cent of respondents reported higher health costs, but in the follow-up period these were in the $20 000 to $50 000 range, rather than the $15 000 to $30 000 range. Therefore, for tenancy support clients there was a general increase in health service use and associated costs across the cohort.

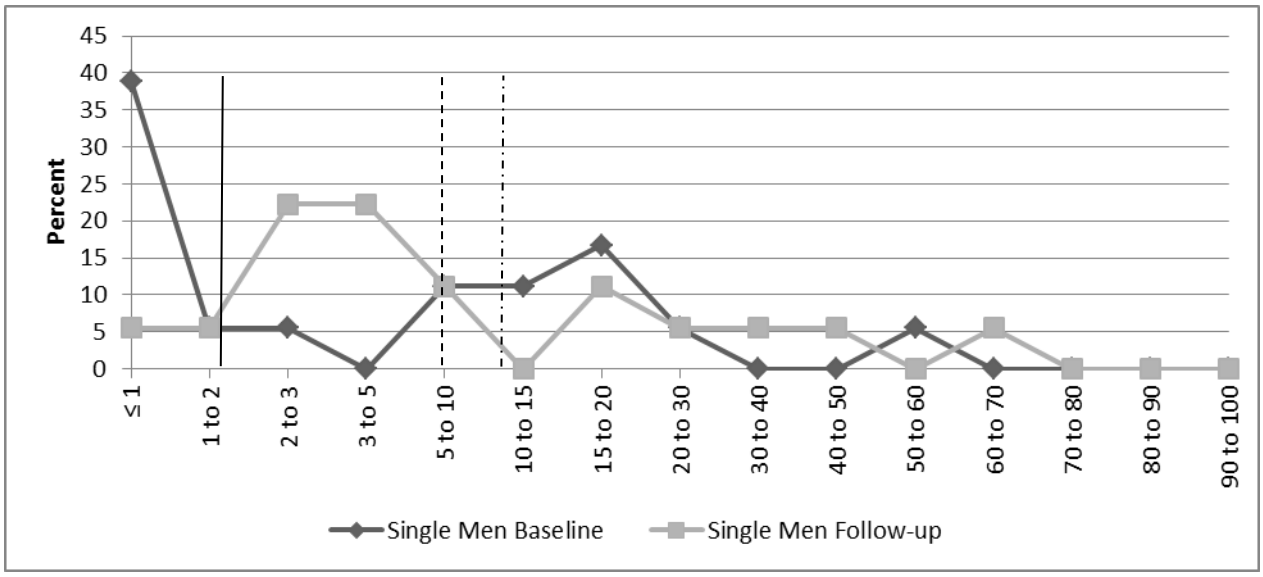
The distribution of 'Total respondent health costs' and the 'Change in total respondent health costs' is also shown visually in Figure 35, which identifies the respondents who were driving the high mean costs in each period and large changes in cost. The common finding across the three cohorts is that where a change in total health costs is identified as an outlier, the change is associated with a change in contacts with high-cost institution-based health services. Given the observed impact of outliers on the mean total cost of health services, this emphasises the potential for sample dependence in these results and the need for further research with large samples of respondents.

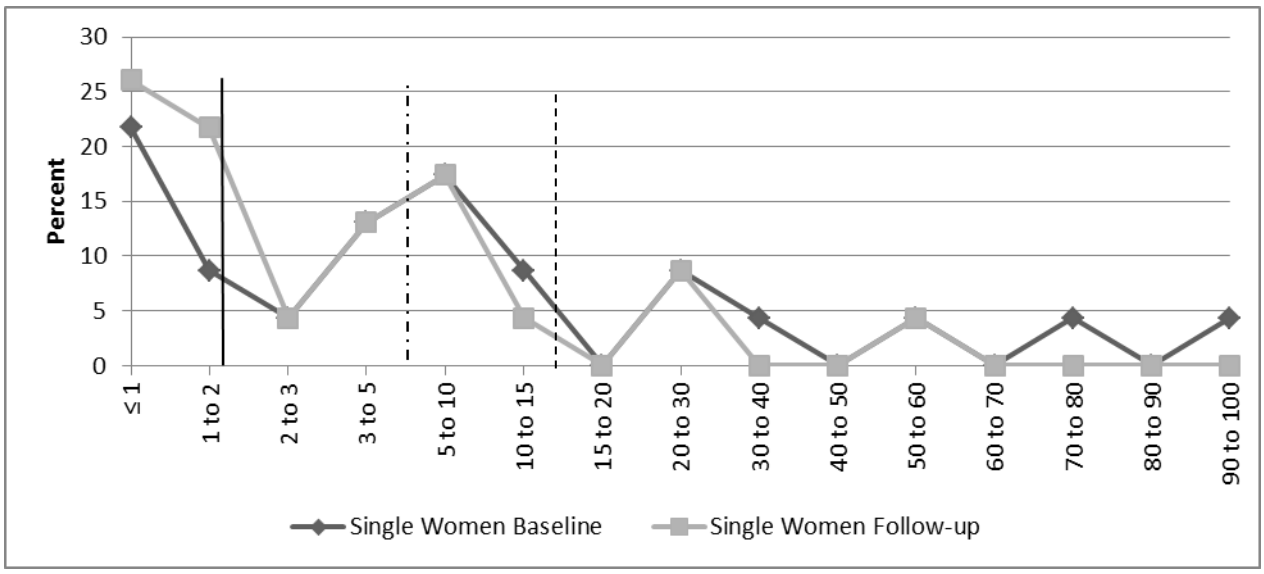
Comparison of the distribution for single men in the follow-up period with the baseline period shows the general increase in health service costs for this cohort, with the median, lower quartile and upper quartile values all higher in the latter period. Considering respondents where the change in costs is identified as an outlier, Respondent 202 showed a large decrease in cots. At Section 5.2 he was identified as a heavy user of casualty/emergency services and spent 20 nights in a mental health facility, as well as using a range of other lower cost services in the baseline period. This did not continue into the latter period. Respondent 1 incurred higher health costs in the follow-up period. Although he was identified as a heavy user of a range of services in both the baseline and follow-up periods, the driver for the large increase in total health costs was a reported 14 nights spent in hospital and 28 nights spent in a drug and alcohol facility in the follow-up period. The driver for the large increase in costs observed for respondents 107 and 133 was also related to time spent in a health institution. These two respondents spent 75 nights and 98 nights, respectively, in a drug and alcohol facility. Respondent 112 shows as a high-cost user of health services in both periods, consistent with the previous discussion of their use of high-cost services (see Section 5.2).

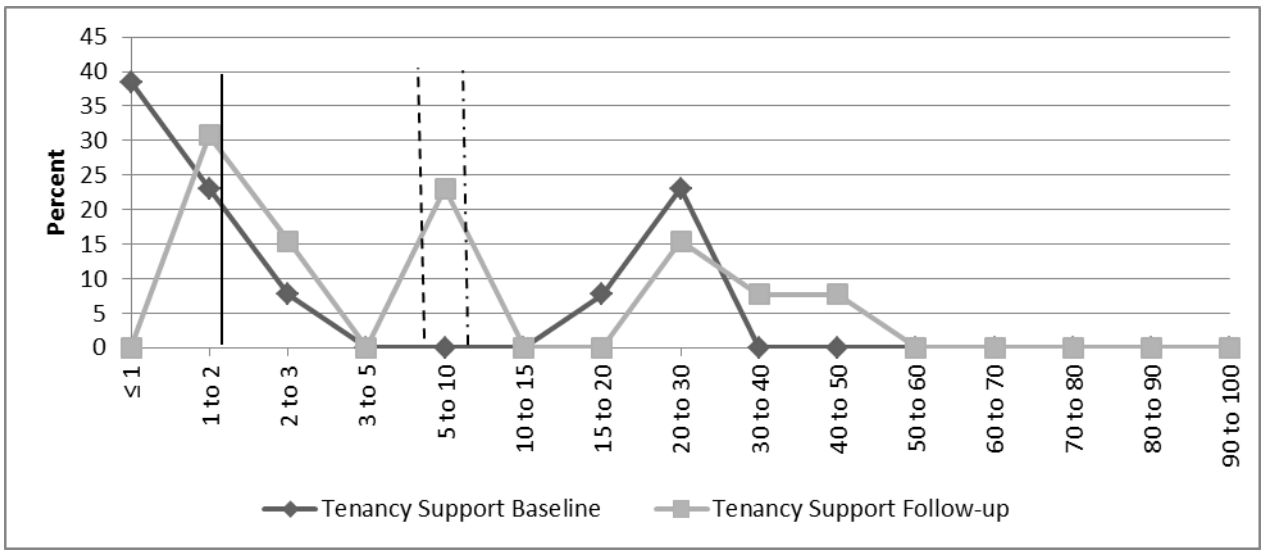
As discussed previously, the distribution of total health service costs for single women was quite different to single men, particularly in relation to the negative skew observed for the change in total costs. Also, of the three respondents where the change in cost was identified as an outlier, two incurred high total health costs in both the baseline and the follow-up periods, however they were less extreme in the latter period. The factor in common is that where the change in total cost is identified as an outlier, the driving factor relates to use of high-cost institutional based health services. Respondent 141 reported equivalent to daily visits to a day clinic or outpatients in the baseline period, which did not continue into the latter period. Respondent 52 reported weekly visits to a psychologist in the baseline period, but not the follow-up period. However, the main driver of the decrease in total health costs was a decrease in the number of nights spent in a drug and alcohol facility, from 90 in the baseline period to none in the latter period. As discussed at Section 5.2, Respondent 164 was a heavy user of a range of services across both periods, and the decrease in total health costs was largely related to a decrease in nights spent in a mental health facility: from 90 nights in the baseline period to nine nights in the latter period.

Figure 34: Distribution of total respondent health costs, by support type ($000s)

Population average $2044* ——— Mean Baseline - - - - - - - - Mean Follow-up -·-·-·-·-



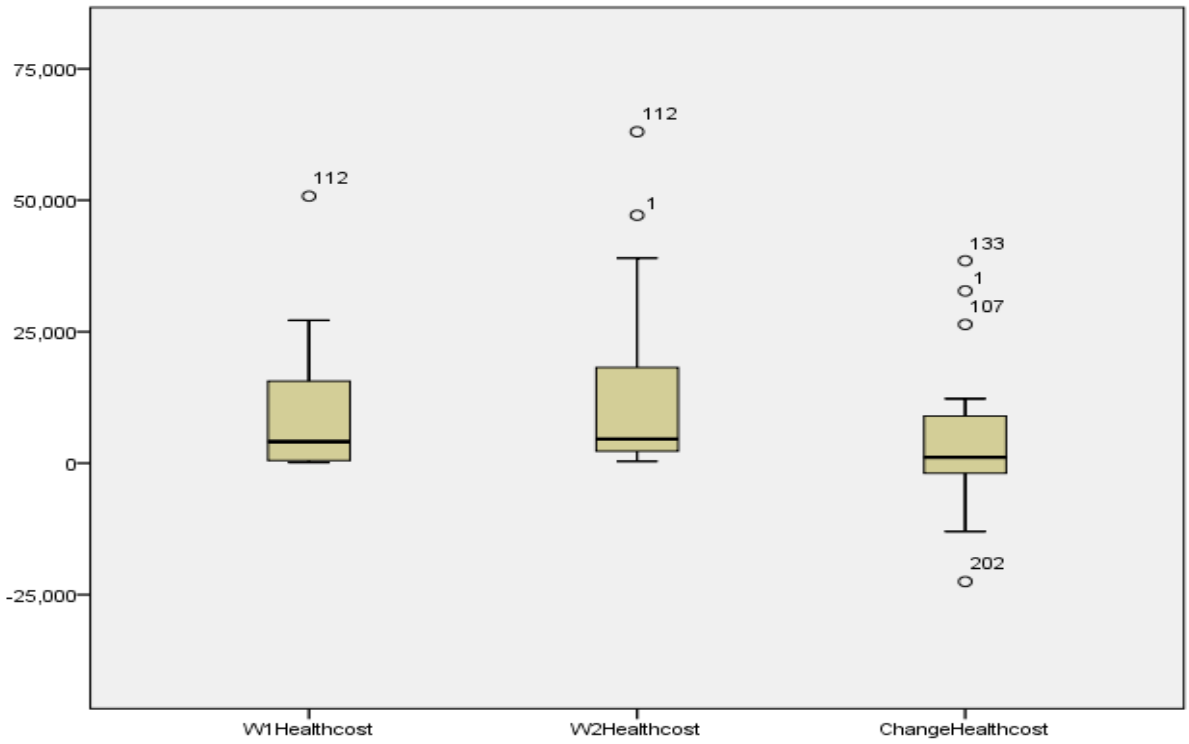




* Source: AHURI Baseline Report (Zaretzky et al. 2013)

Figure 35: Distribution of 'Total respondent health cost' and 'Change in total respondent health cost', by support type (Dollars)

Service—Single men



Service—Single women

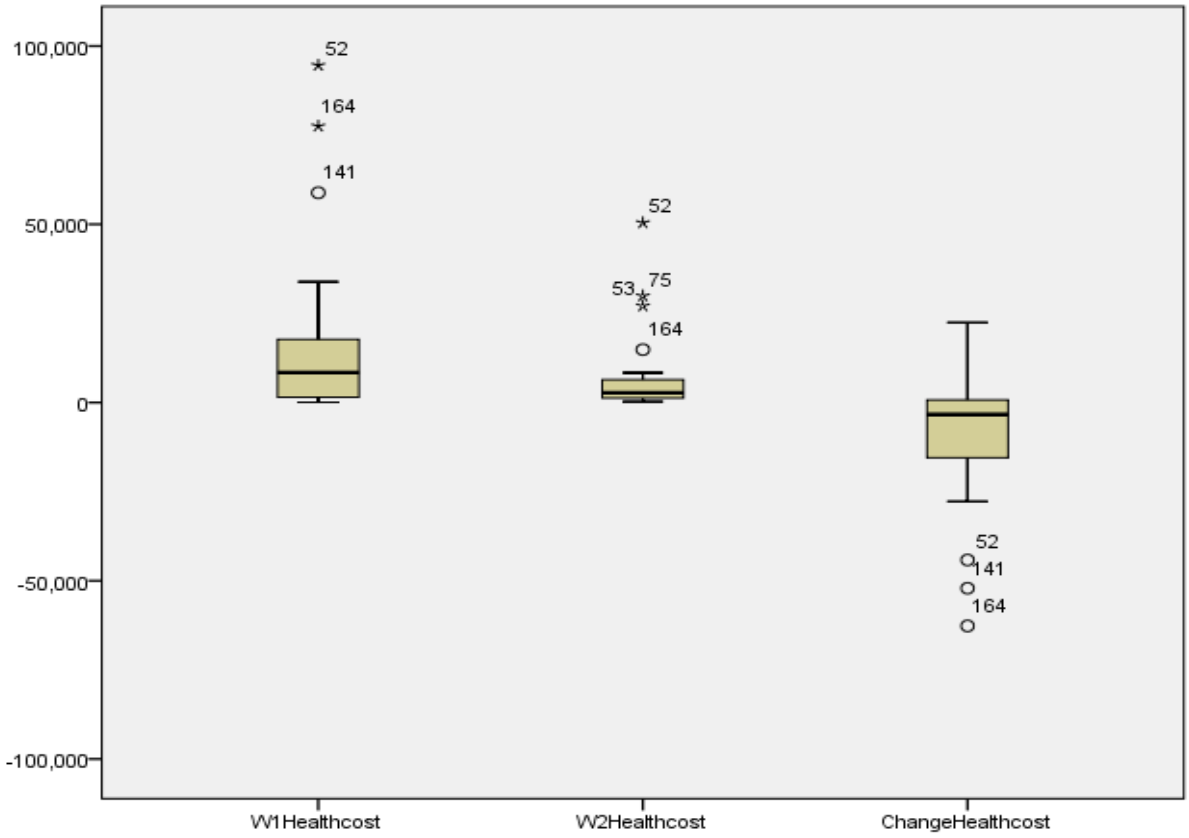
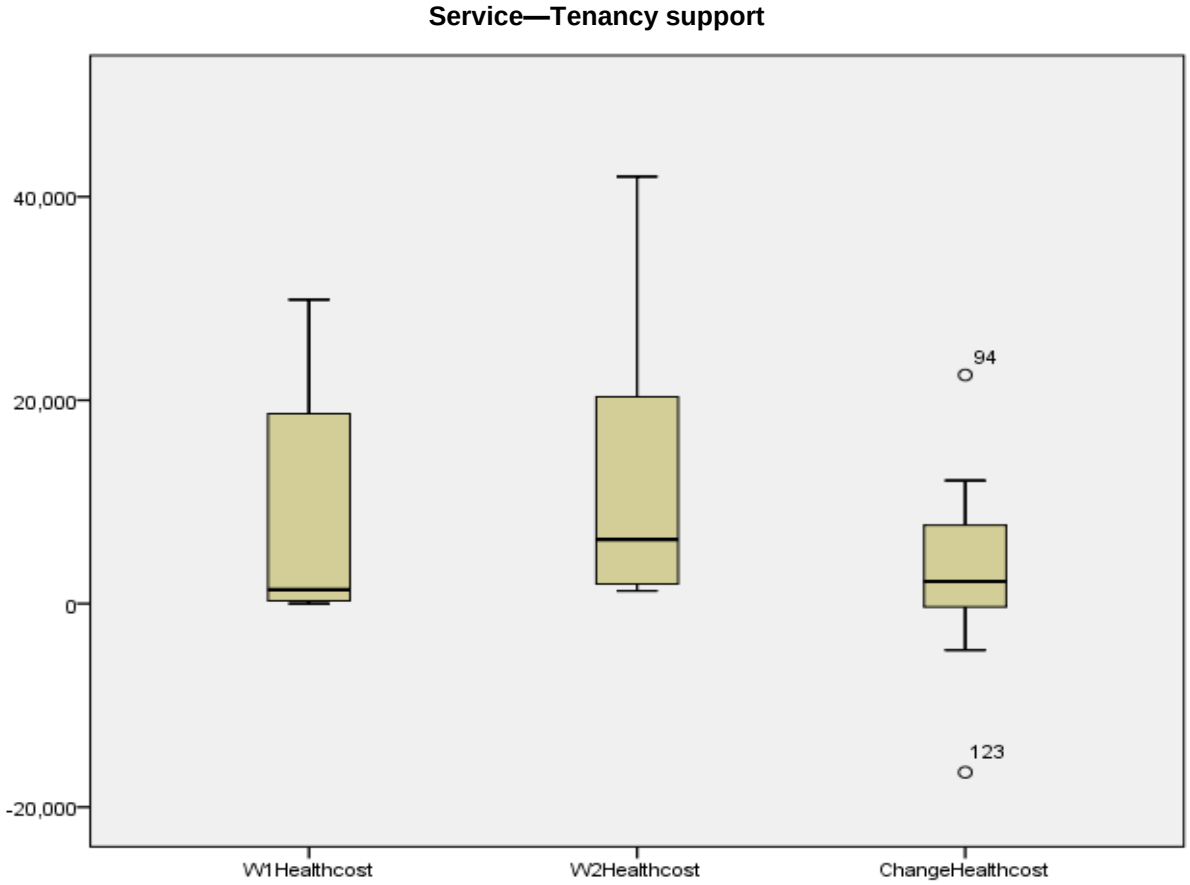


Figure 35 (cont.) Distribution of 'Total respondent health cost' and 'Change in total respondent health cost', by support type (Dollars)



The box plots for tenancy support respondents show an increase in both the median cost to government of health service utilisation for this cohort and an overall increase, demonstrated through both the lower and upper quartile values being higher in the latter period (W2) (see Figure 35). Interestingly no outliers are observed in terms of total cost of health service use in either the baseline or follow-up periods. However, two largely offsetting outliers are identified in terms of change in total health service cost. Respondent 123 was also identified as a heavy user of a number of individual health services in the 12 months prior to each of the Baseline and Follow-up Surveys (see Figure 33). The very large decrease in costs was primarily attributable to the reduced incidence of visits to a day centre or outpatient clinic: from 100 visits in the baseline period to four visits in the follow-up period. Respondent 94 was not identified as an outlier in relation to any particular health service. In the baseline period they reported GP visits and five visits to a day clinic or outpatients, with an associated total health cost of $1360. There was a general increase in health service contacts in the latter period with a total cost of health service contacts of $23 839. Notably they reported 20 visits to a day clinic or outpatient clinic, five times when an ambulance was required and nine nights spent in hospital.

5.3 Distribution of justice contacts and justice cost offsets

As with health offsets, due to a lower limit of zero and some respondents reporting a high number of contacts with high-cost justice services, the mean cost of justice contacts and the change in the cost from the baseline to follow-up, while representing a real cost, may not be representative of the 'typical cost' of persons seeking assistance from homelessness support services. The distribution of justice contacts and associated costs and cost offsets was examined following the same method as used when examining health offsets. First, the

distribution statistics are presented and discussed; second, an examination of the box plots and analysis of the breadth of instances where high levels of justice costs are incurred is conducted. Finally the 'Total respondent justice cost' and 'Change in the total respondent justice cost', and the distribution of these variables, is examined.

Table 28 reports on the distribution of justice service contacts for the matched sample of respondents who answered all relevant questions at both the Baseline and the Follow-up surveys, by contact type and cohort. As with health service contacts, in all instances the distribution is positively skewed and, in most instances, the hypothesis that the skewness and kurtosis of the distribution is consistent with the normal distribution is rejected. In the vast majority of instances the kurtosis is large and positive, indicating that the distribution is much flatter than would be expected if it were normal.

When comparing the mean and the median, except in relation to nights in prison and nights in remand or detention, the mean is typically greater than zero. In contrast, the median number of contacts for each contact type is typically zero. The only situation where a non-zero median is observed occurs for tenancy support respondents for contacts with the police due to being the victim of an assault or robbery in the baseline period (median = 0.5) and the follow-up period (median = 1). This shows that, for almost all justice contacts considered, over half of respondents did not experience that contact type in each of the survey periods. Again, this indicates that the mean number of contacts reflects a comparatively small number of clients.

The concentration of contacts amongst respondents is examined through the box plots (Figures 36 to 38). Figure 36 displays the distribution for single men. Where the number of contacts reported by an individual is identified as an outlier, the label represents the allocated respondent number at the time of the Baseline Survey. As was discussed in relation to the distribution statistics, the median (as shown by a thick black line) in most situations is zero, and the mean number of contacts is largely driven by a comparatively small number of individuals reporting that contact type. However, it cannot be concluded that the majority of single male respondents did not experience contact with justice services. It should be noted that due to the majority of persons reporting no contact, a respondent who reports a small number of contacts for a particular contact type can be identified as an outlier. For example, in relation to instances of being visited by a justice officer in the baseline period, only two respondents reported this type of contact. Respondent 133 reported this occurring once in the baseline period and Respondent 60 reported that it occurred twice. These are both identified as outliers. Therefore some care should be exercised in interpreting these results.

Nearly 60 per cent (10 of the 17, or 58.8%) of single men are identified as outliers in terms of the number of justice contacts reported for one or more contact types. Although the instances of having contact with one or two justice services were not uncommon, only a small number of respondents accounted for the majority of identified outliers. For single men, three respondents (17.7%) who are identified five or more times account for 63.3 per cent of the 30 identified outlier events. Of these, two reported very high contact with more than one service type. In the baseline period Respondent 133 reported eight instances of being in court, 42 nights in remand and 270 nights in prison. In the follow-up period they reported a further 14 nights in prison and 52 visits from a justice officer. Of interest is that this respondent was predominantly living in homelessness circumstances when not in prison; in the baseline period they reported three months living in homelessness circumstances and in the subsequent period they reported eight months living in homelessness circumstances. In the baseline period Respondent 200 reported four instances of being apprehended by police and ten instances of being in court. In the follow-up period he reported three instances of being in court.

Figure 37 presents further information for single women respondents. Again, due to the median number of contacts for most contact types being zero, identified outliers often reflect a small number of contacts. Of the 23 single women respondents in the matched sample, justice contacts reported for a service type is identified as an outlier at least once for 64.9 per cent of respondents. Again, contacts are concentrated, with three respondents (13.0%) being identified four or more times, accounting for 42.9 per cent of all identified outliers. All three respondents reported a comparatively large number of contacts for a number of contact types. Respondent 141 reported being stopped by the police in the street six times and by the police in a vehicle twice in the baseline period, which escalated to 30 instances of each in the follow-up period. Respondent 195 reported the largest number of contacts, particularly in the follow-up period. She reported ten instances of being stopped in the street by police in the baseline period and eight instances in the subsequent period. In the latter she was: apprehended five times; in court ten times; held five nights by the police; and had 26 visits by a justice officer. Respondent 197 reported a comparatively large number of contacts in the baseline period: seven instances of being a victim of an assault or robbery; three instances of being in court; and three instances of being visited by a justice officer. In each of the other situations identified as outliers the number of reported contacts was one.

Figure 38 displays the distribution for tenancy support respondents. Of the 12 respondents in the matched sample, the number of justice contacts reported by five (45.5%) are identified as outliers for one or more contact types. As discussed previously, due to the large number of respondents reporting zero contacts, as few as one contact can be identified as an outlier and care should be used in interpreting these figures. Contacts reported by two respondents (18.2%) are identified four or more times as an outlier, and these contacts account for 64.3 per cent of all identified outliers. As discussed in relation to justice costs incurred (Section 4.3), Respondent 58 reported the highest number of contacts, particularly in the follow-up period. In the baseline period identified outliers events were four instances of being stopped in the street by police and seven instances of being apprehended by police. This respondent also reported five instances of being a victim of an assault or robbery, but this was not identified as an outlier. In the follow-up period they reported a much higher instance (100 instances) of being stopped in the street by police and being apprehended and were held overnight for seven nights by police. Respondent 81 did not report the same intensity of contacts, with 20 instances of being stopped by police in a vehicle and six visits from a justice officer in the baseline period, and 15 instances of being stopped by police in a vehicle in the follow-up period. The fourth outlier identified for this respondent represents a single instance of being visited by a justice officer in the follow-up period.

5.3.1 Total respondent justice cost and distribution

The final approach taken to examine the distribution of justice service costs is to calculate the total cost of justice contacts for each respondent and the change in total justice cost for each respondent, and to examine the distribution of this ‘Total respondent justice cost’ and ‘Change in total respondent justice cost’. For each respondent the cost of reported contacts was determined for each justice contact type and summed to provide the total cost to government of justice contacts by that respondent in the 12 months prior to each of the Baseline and Follow-up surveys. The change in cost for each respondent was then calculated as the ‘Total respondent justice cost’ during the 12 months prior to the Follow-up Survey minus the corresponding cost in the 12 months prior to the Baseline Survey.

Table 28: Distribution of justice contacts, by service and contact type

	Victim assault/robbery		Stopped by police in street		Stopped by police in vehicle		Apprehended by police		Visits with justice officer	
	Baseline	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**
Single men (n=17)										
Mean	0.88	0.47	1.12	0.41	0.18	0.18	0.76	0.47	0.18	3.06
Median	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Std. Deviation	2.55	1.01	2.91	1.28	0.53	0.39	1.15	0.80	0.53	12.61
Minimum	0	0	0	0	0	0	0	0	0	0
Maximum	10	4	12	5	2	1	4	2	2	52
Inter-quartile Range	0	1	2	0	0	0	2	1	0	0
Skewness	3.34	3.00	3.65	3.38	3.14	1.87	1.65	1.35	3.14	4.12
Kurtosis	11.53	10.15	14.11	11.72	9.80	1.67*	2.65	0.16*	9.80	17.00
Single women (n=23)										
Mean	0.83	0.39	0.74	2.65	0.26	1.57	0.22	0.39	0.30	1.65
Median	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Std. Deviation	1.70	0.50	2.38	7.41	0.75	6.29	0.67	1.20	0.76	5.87
Minimum	0	0	0	0	0	0	0	0	0	0
Maximum	7	1	10	30	3	30	3	5	3	26
Inter-quartile Range	1	1	0	0	0	0	0	0	0	0
Skewness	2.68	0.48*	3.45	3.12	3.03	4.60	3.67	3.34	2.74	3.81
Kurtosis	7.85	-1.95	11.72	9.47	8.85	21.55	14.42	11.08	7.31	14.85
Tenancy support (n=12)										
Mean	3.58	0.75	0.42	8.33	1.67	1.42	0.75	8.33	0.75	0.08
Median	0.50	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Std. Deviation	6.17	0.75	1.16	28.87	5.77	4.32	2.01	28.87	1.76	0.29
Minimum	0	0	0	0	0	0	0	0	0	0
Maximum	19	2	4	100	20	15	7	100	6	1
Inter-quartile Range	5	1	0	0	0	0	1	0	1	0
Skewness	1.95	0.48*	3.14	3.46	3.46	3.36	3.25	3.46	2.84	3.46
Kurtosis	3.08	-0.87*	10.13	12.00	12.00	11.44	10.85	12.00	8.40	12.00

* Less than two standard errors from zero, where the normal distribution is defined as having skew equal to zero and kurtosis equal to zero.

n.a. Not applicable. No respondent reported contact type.

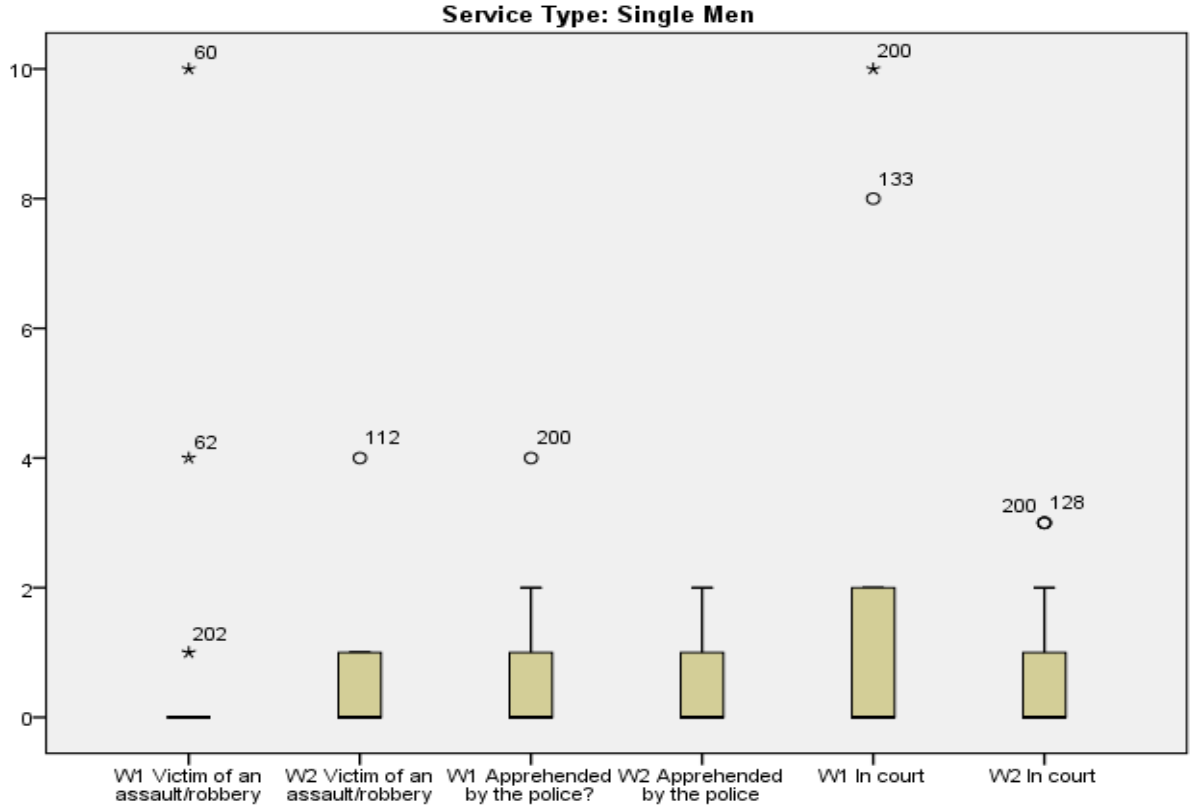
Table 28 (cont.) Distribution of justice contacts, by service and contact type

	Nights held by police		In court		Nights in prison		Nights in remand	
	Baseline	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**
Single men (n=17)								
Mean	0.41	0.12	1.53	0.82	16.00	0.82	2.59	n.a.
Median	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Std. Deviation	0.94	0.33	2.94	1.19	65.46	3.40	10.17	
Minimum	0	0	0	0	0	0	0	
Maximum	3	1	10	3	270	14	42	
Inter-quartile Range	0	0	2	2	0	0	0	
Skewness	2.08	2.61	2.35	1.15	4.12	4.12	4.11	
Kurtosis	3.13	5.44	4.83	-0.25*	17.00	17.00	16.91	
Single women (n=23)								
Mean	0.04	0.22	0.57	1.00	n.a.	n.a.	n.a.	n.a.
Median	0.00	0.00	0.00	0.00				
Std. Deviation	0.21	1.04	1.04	2.24				
Minimum	0	0	0	0				
Maximum	1	5	3	10				
Inter-quartile Range	0	0	1	2				
Skewness	4.80	4.80	1.82	3.31				
Kurtosis	23.00	23.00	2.08	12.46				
Tenancy support (n=12)								
Mean	n.a.	0.58	0.50	1.17	n.a.	n.a.	n.a.	n.a.
Median		0.00	0.00	0.00				
Std. Deviation		2.02	0.80	1.75				
Minimum		0	0	0				
Maximum		7	2	5				
Inter-quartile Range		0	1	2				
Skewness		3.46	1.29	1.41				
Kurtosis		12.00	0.15*	0.92*				

*Less than two standard errors from zero, where the normal distribution is defined as having skew equal to zero and kurtosis equal to zero.

n.a. Not applicable. No respondent reported contact type.

Figure 36: Distribution of justice contacts, single men (no. of contacts)



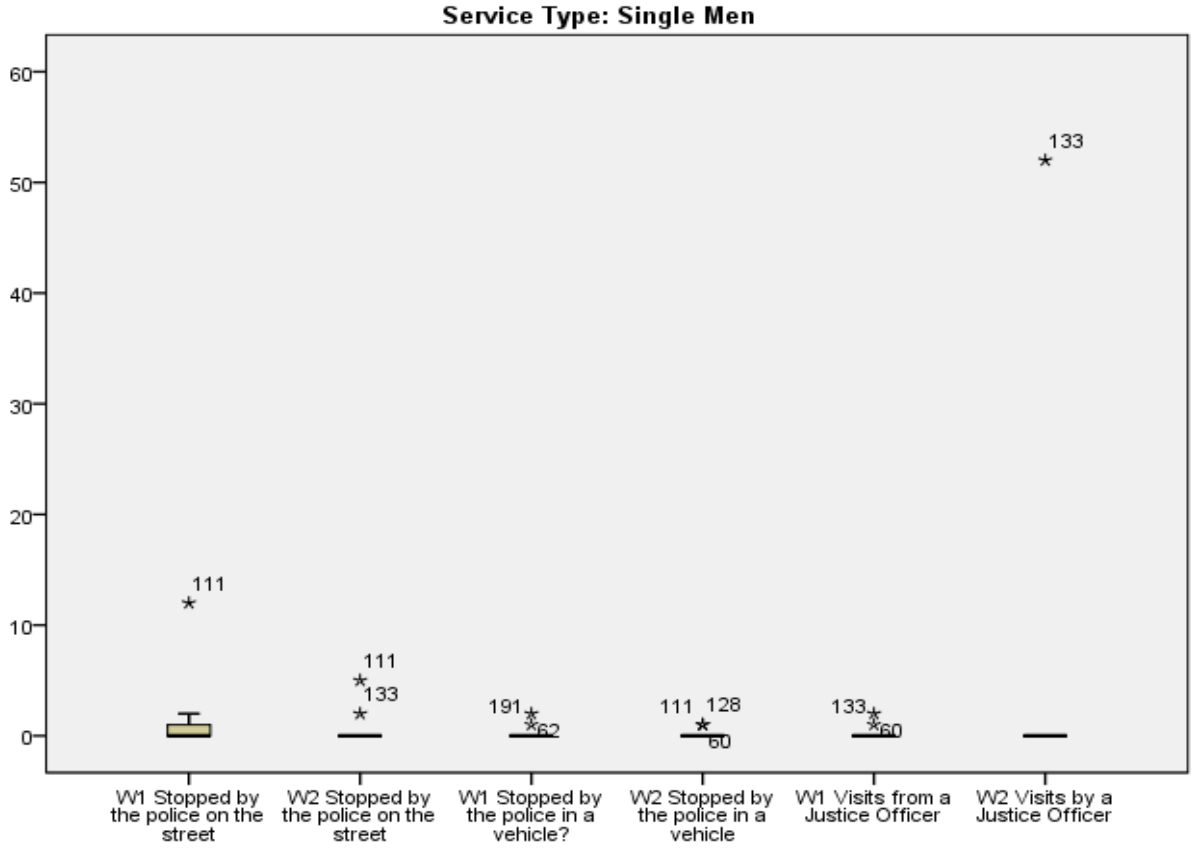


Figure 36 (cont.) Distribution of justice contacts, single men (no. of contacts)

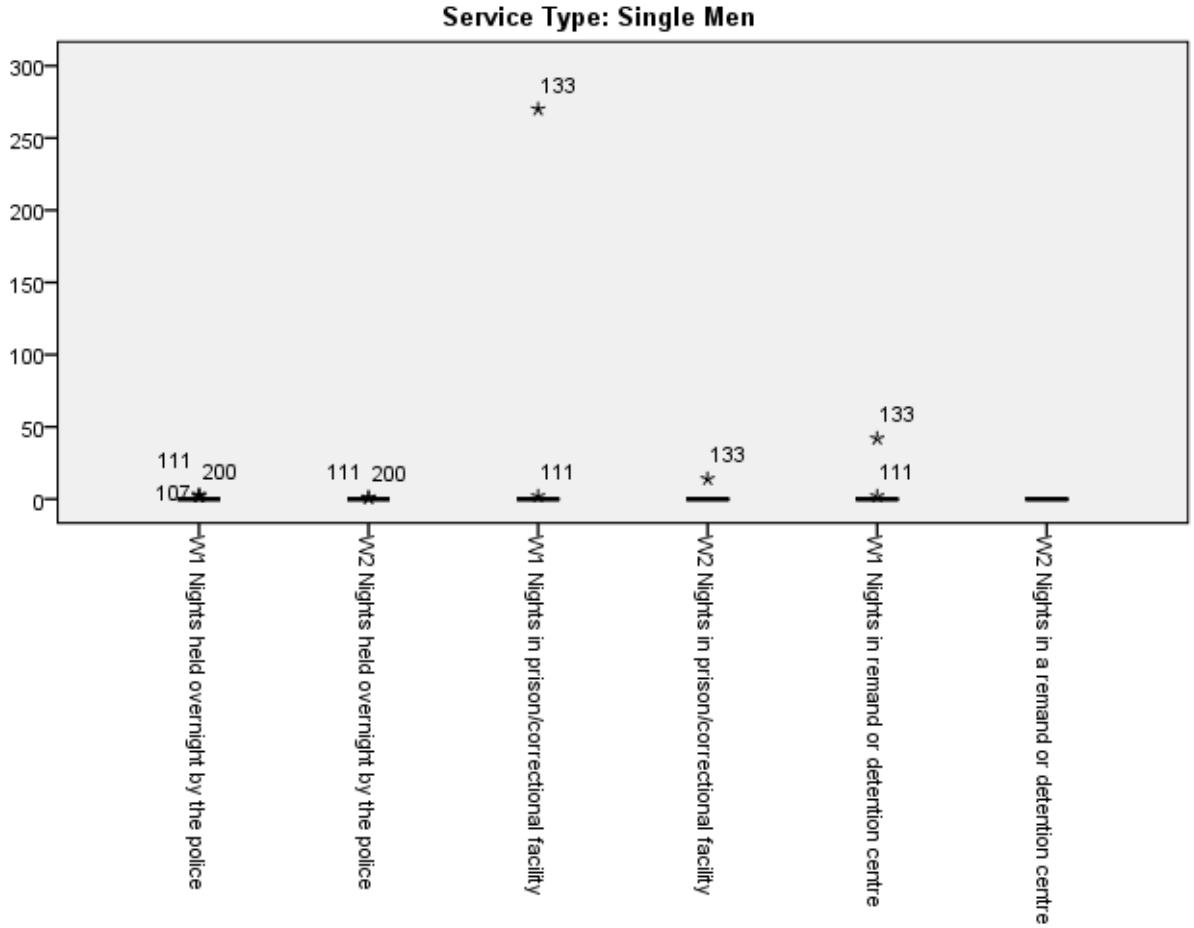
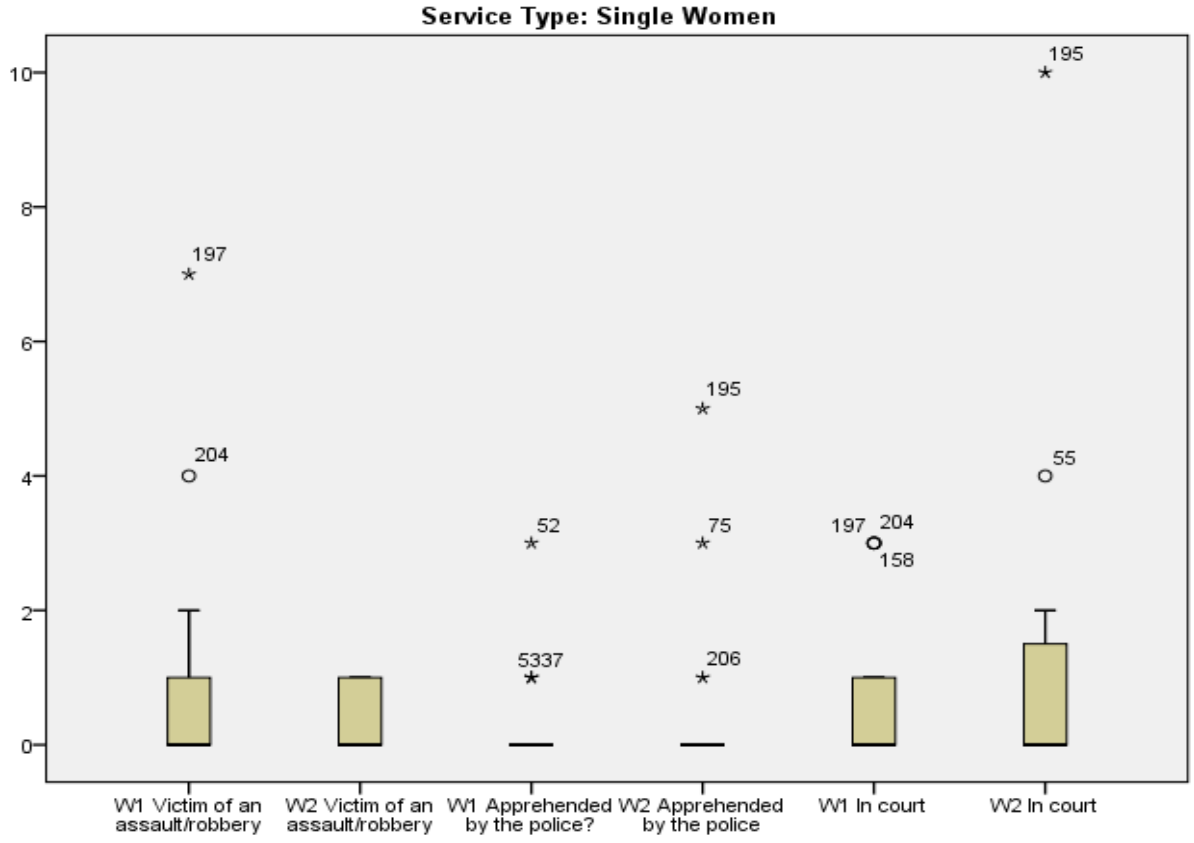


Figure 37: Distribution of justice contacts, single women (no. of contacts)



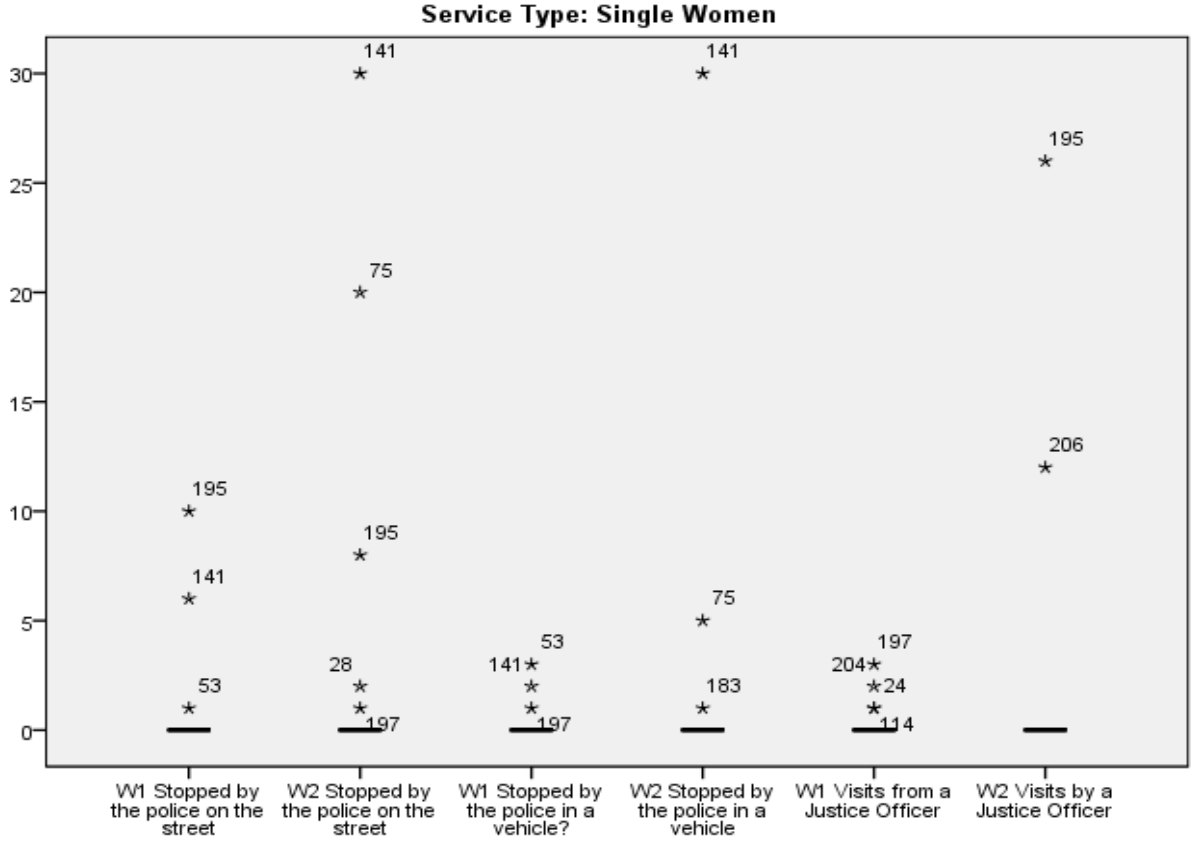


Figure 37 (cont.) Distribution of justice service contacts, single women (no. of contacts)

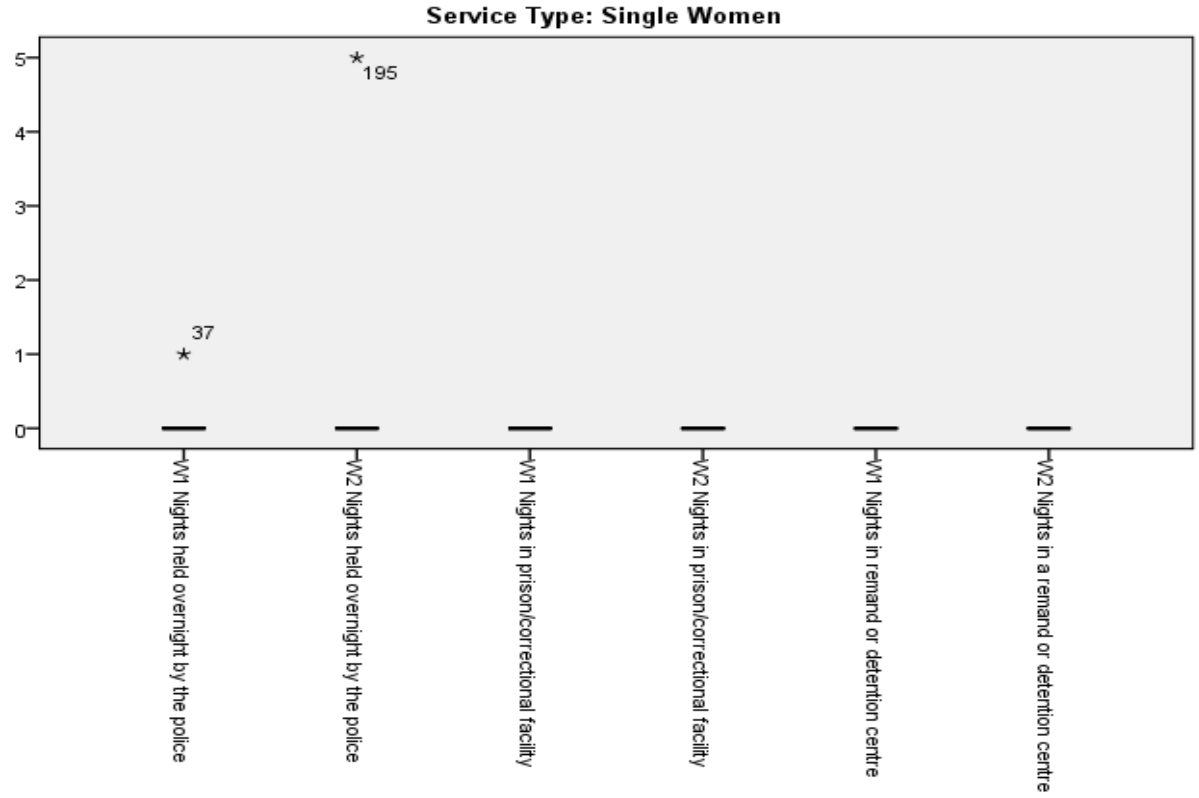


Figure 38: Distribution of justice contacts, tenancy support (no. of contacts)

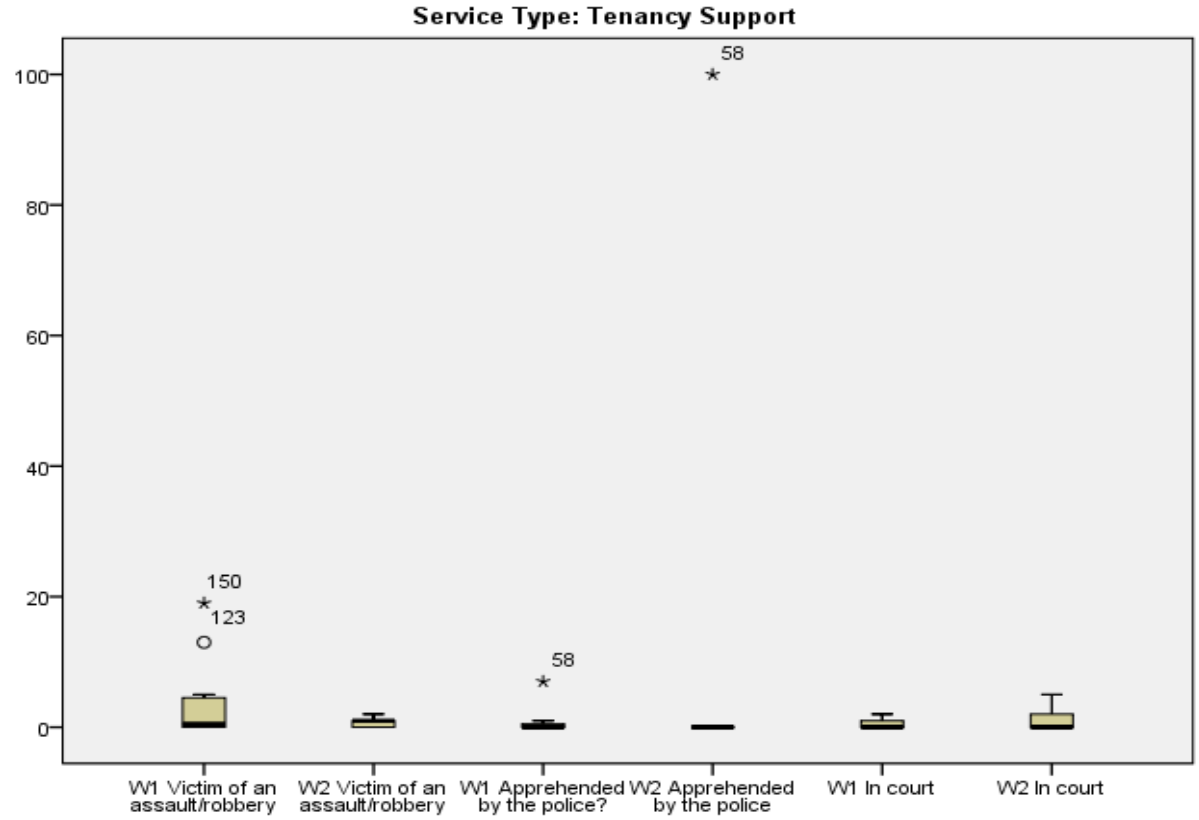
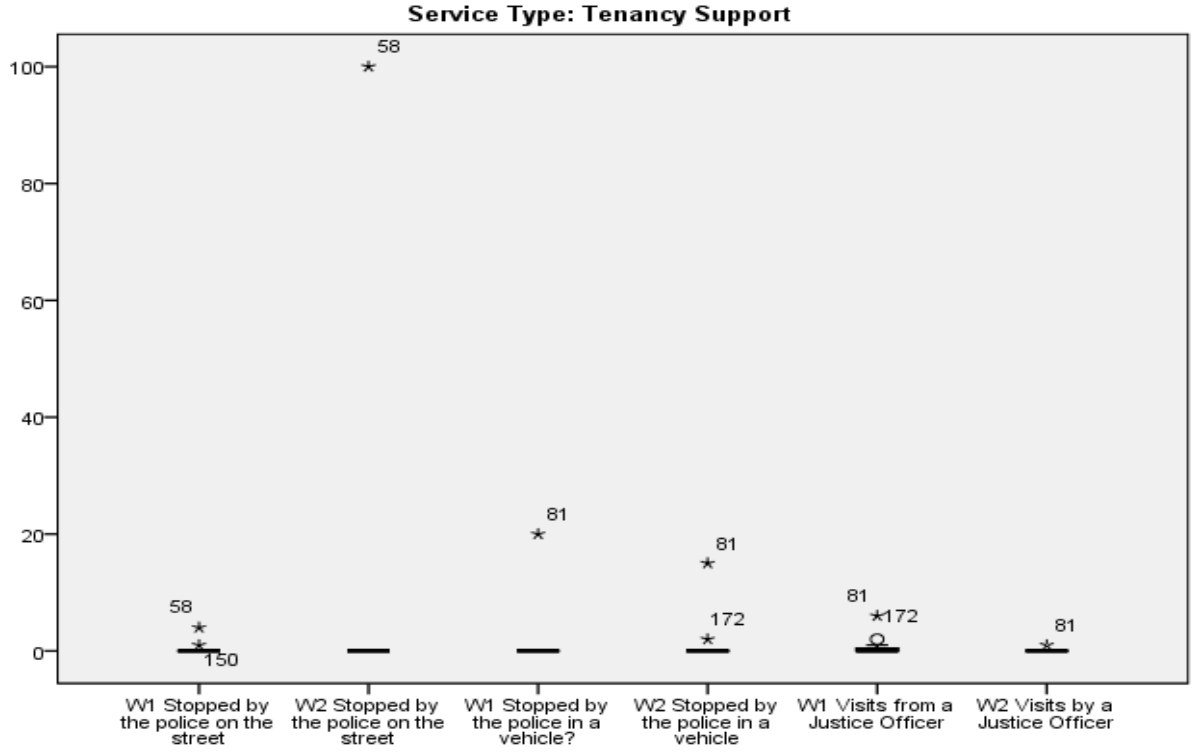
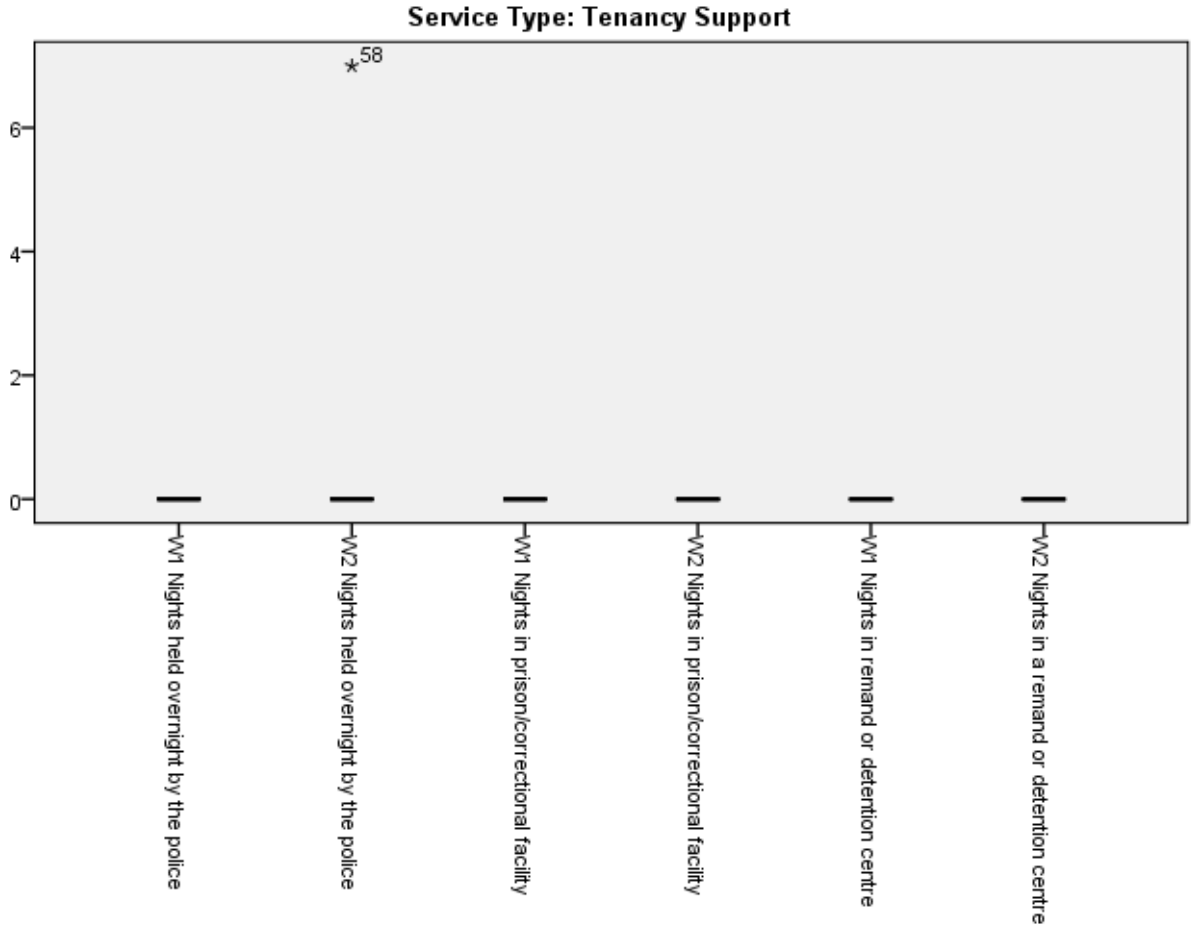


Figure 38 (cont.) Distribution of justice contacts, tenancy support (no. of contacts)





The distribution of 'Total respondent justice cost' and 'Change in total respondent justice cost' is reported in Table 29. The distribution and associated box plots for each client cohort are presented in Figures 39 and 40. As with health costs, the mean, 5 per cent trimmed mean and median costs are reported at Table 29 as alternative measures of central tendency. The 5 per cent trimmed mean is most relevant in terms of examining central tendency for the change in total respondent justice costs, where both extreme negative and positive values are observed. The spearman rank correlation is also calculated to examine: the relation between justice costs in each period; the relation between experiences of homelessness and justice costs; and the relation between Indigenous status and 'Total respondent justice cost' (see Appendix 1).

Considering Table 29, consistent with the positive skew observed for justice contacts, the total respondent cost of contacts also displays a significant positive skew in all instances. The change in cost for single men displays a significant negative skew, and for single women and tenancy support clients it is not significantly different to zero. The level of kurtosis is consistently positive and significantly different to zero, reflecting a much flatter distribution of costs than would be expected if the distribution was normal.

The 5 per cent trimmed mean of the change in total justice costs excludes the effect of the most extreme outliers. Across all respondents the 5 per cent trimmed mean of the change in cost is a decrease in justice costs of $1054/respondent: approximately half the mean decrease of $2397/respondent. This difference largely reflects the effect of excluding large changes in total justice costs observed for a small number of single men respondents. The trimmed mean of change in cost for single men is a decrease of $3109/respondent, almost half the mean decrease of $6447/respondent. In contrast, the 5 per cent trimmed mean for single women respondents and for tenancy support respondents is, in dollar terms, not markedly different to the mean change in cost.

Consistent with the positive skew, the mean cost is consistently greater than the median. The median change in respondent justice costs is also closer to zero than the mean change. The median change in cost for single men is a small decrease of $451/respondent, markedly less than the mean change. For single women and tenancy support respondents the difference between the median and the mean is much smaller. For single women the median change in cost is actually zero. Overall, the median change is also zero, much smaller than the mean. The mean change in cost across all respondents is heavily influenced by the large change in cost observed by a small number of single men.

The distribution of 'Total respondent justice costs' is plotted in Figure 39, which also shows the Australian population average cost for services (see AHURI Baseline Report) and the mean 'Total respondent justice costs' for the baseline and follow-up periods. Across all cohorts, during both the baseline and follow-up periods a large proportion of respondents did not incur any justice costs, and a small proportion incurred small amounts of cost similar to the Australian population average. In both periods, a small proportion of remaining respondents incurred comparatively high costs. The spearman rank correlation (see Appendix 1) does not show a significant positive relation between 'Total respondent justice costs' incurred in the baseline and follow-up periods for any cohort.

Table 29: Distribution of 'Total respondent justice cost' and 'Change in total respondent justice cost', by support type

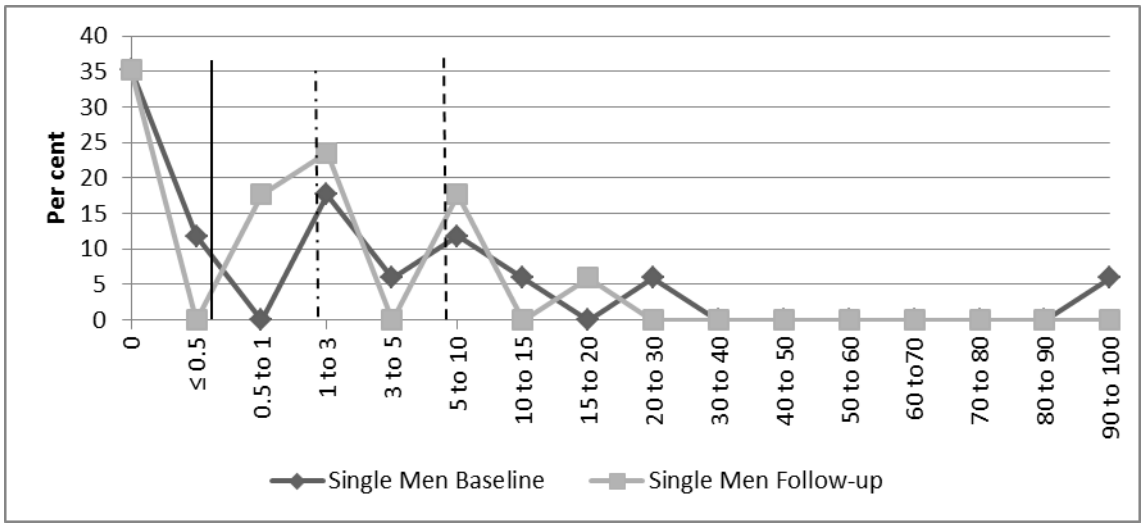
	Single men			Single women			Tenancy support			Total		
	Baseline	**Follow-up**	**Change in cost**	**Baseline**	**Follow-up**	**Change in cost**	**Baseline**	**Follow-up**	**Change in cost**	**Baseline**	**Follow-up**	**Change in cost**
Mean ($)	9,194	2,747	-6,447	2,586	2,731	146	8,890	7,350	-1,540	6,202	3,806	-2,397
5 per cent Trimmed Mean ($)	4,803	2,182	-3,109	1,883	2,034	230	7,444	5,013	-1,884	3,498	2,400	-1,054
Median ($)	1,847	842	-451	842	1,684	0	2,709	3,121	156	842	2,197	0
Std. Deviation ($)	23,503	4,177	20,375	4,497	4,410	6,202	13,926	15,733	19,526	15,313	8,432	15,416
Minimum ($)	0	0	-81,776	0	0	-16,116	0	0	-39,565	0	0	-81,776
Maximum ($)	97,547	15,771	8,788	18,476	19,354	15,527	43,959	56,774	42,554	97,547	56,774	42,554
Inter-quartile Range ($)	7,447	3,961	5,002	4,557	3,881	4,520	13,073	3,873	3,653	5,028	4,036	4,604
Skewness	3.73	2.25	-3.54	2.53	2.77	-0.33*	1.89	3.33	0.17*	4.70	5.21	-2.65
Kurtosis	14.55	5.48	13.42	6.97	9.08	2.75	3.07	11.34	2.91	25.72	31.54	14.96

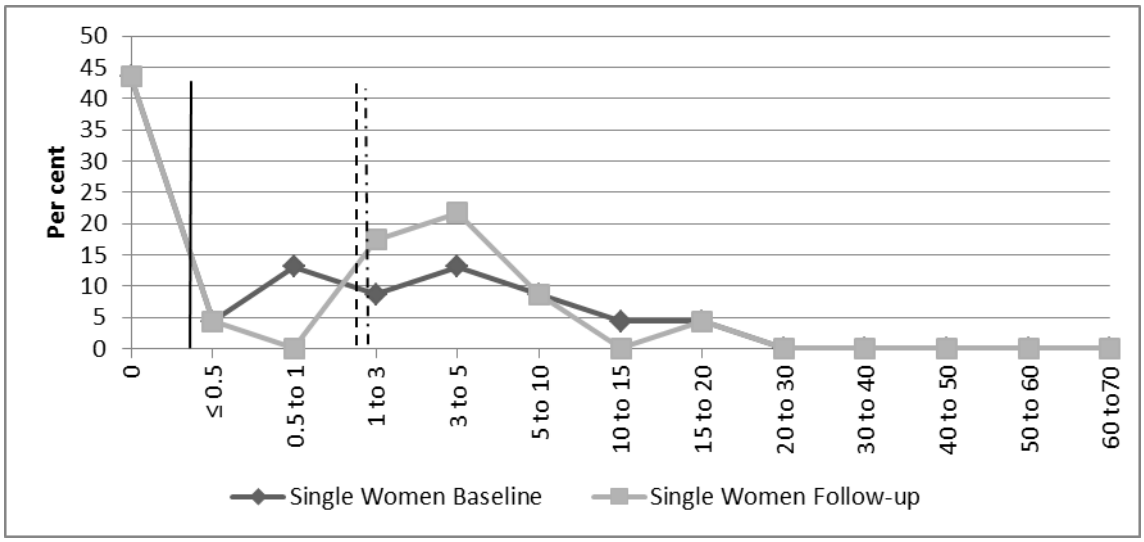
* Less than two standard errors from zero, where the normal distribution is defined as having skew equal to zero and kurtosis equal to zero.

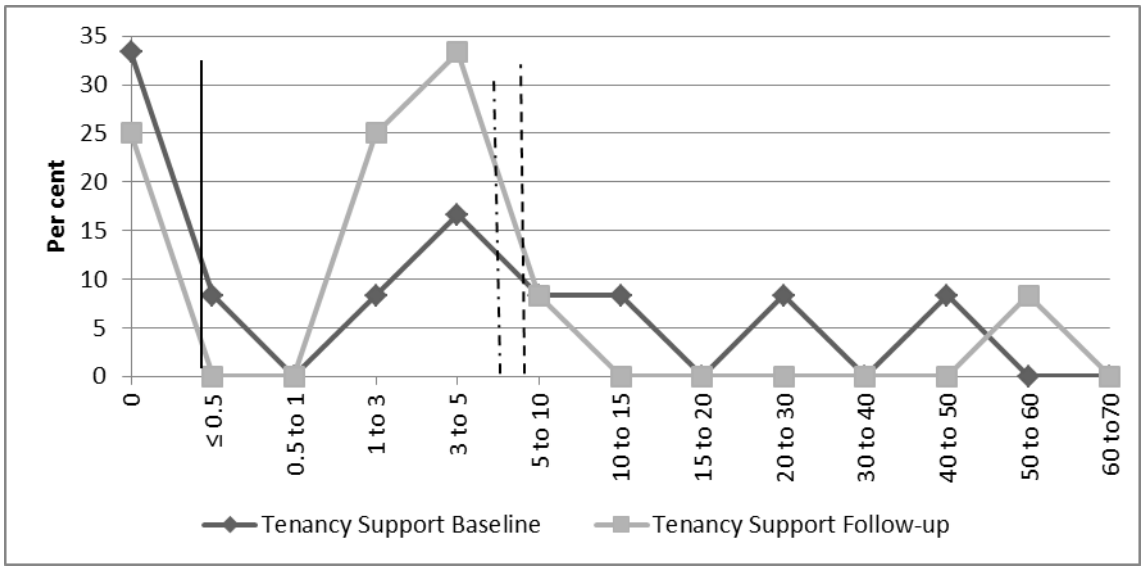
Figure 39: Distribution of total respondent justice costs, by support type ($000s)

Population average* Male $577, Female $351, Person $463 ———

Mean Baseline - - - - - - - - Mean Follow-up -.-.-.-.-







* Source: AHURI Baseline Report (Zaretzky et al. 2013)

For single men and tenancy support respondents a significant positive relation was observed in the follow-up period between experiencing a period of homelessness and justice costs (see Appendix 1). For single men the correlation is only weakly significant ($\rho = 0.463$, $P = 0.053$), but for tenancy support respondents it is significant at the 5 per cent level ($\rho = 0.639$, $P = 0.019$)[11]. No corresponding significant relation is observed for the baseline period. Thus, in the follow-up period, respondents in these two cohorts who experience homelessness are also more likely to incur the higher total justice costs. The spearman rank correlation between Indigenous status and total justice cost across the total follow-up sub-sample of single women, single men and tenancy support clients did not indicate a significant relation in either period. This differs from the findings for the complete baseline sample where Indigenous respondents were found to report a higher incidence of justice contacts than non-Indigenous respondents.

For single men respondents in the baseline period, all respondents except one incurred costs of $30 000 or less; in the follow-up period the highest cost incurred was in the $15 000 to $20 000 range. The decrease in mean total justice costs from the baseline to follow-up periods largely relates to a single respondent who reported costs in the $90 000 to $100 000 range at the baseline, but no respondent reporting justice costs above $20 000 in the follow-up period

When considering single women, it is evident that there was little change in the shape of the distribution of justice costs from the baseline to follow-up periods. Although around 50 per cent of these respondents incurred zero or around Australian population average justice costs (female) of $351/person in both periods, around 45 to 50 per cent of single women respondents incurred higher justice costs of between $3000 and $20 000. These latter respondents drive the high mean cost when compared with the Australian average.

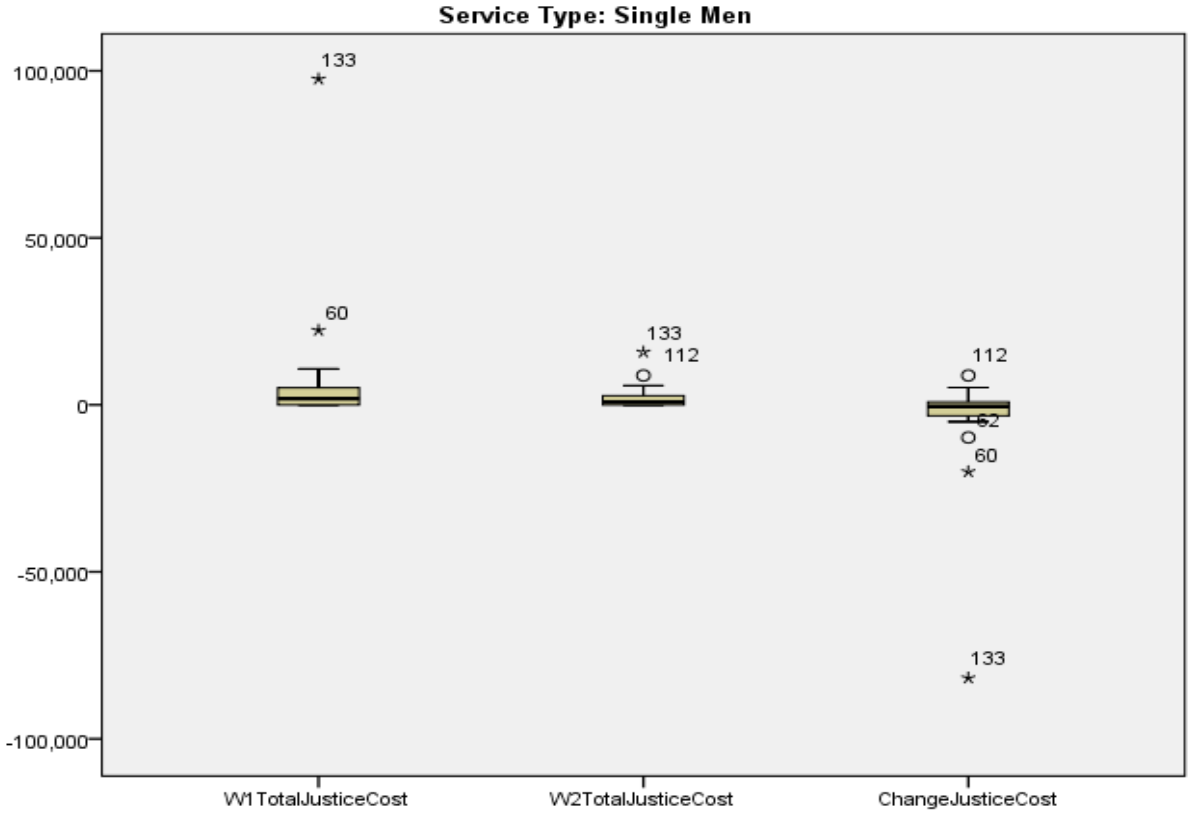
The distribution of tenancy support respondent justice costs shows a decrease in both the proportion of respondents reporting no justice costs and the proportion reporting justice costs above $10 000/person in the follow-up period compared with the baseline, and an increase in the proportion incurring costs in the $1000 to $10 000/person range. The net effect is the observed decrease in the mean 'Total respondent justice costs' from the baseline to follow-up period.

Figure 40 displays the box plots relating to 'Total respondent justice cost' and 'Change in total respondent justice cost'. The identified outliers largely relate to respondents for whom the number of contacts with individual justice services was identified as an outlier for a number of service types. As expected, for single men, Respondent 133 largely drives the very high mean cost observed in the baseline period. Respondent 60 was also identified as having a very high cost in the baseline period. This latter respondent reported ten instances of contact with police resulting from being the victim of an assault or robbery in the baseline period, decreasing to one instance in the follow-up period. These respondents are also two of the three driving the large mean change in costs for this cohort. Similarly for single women and tenancy support clients, a small number of respondents in each cohort drive the large mean justice costs and the change in those costs for the respective cohort.

Thus, although the majority of respondents from each cohort report some contact with justice services, the large costs are driven by relatively few individuals. The costs incurred by these individuals are real; if support results in a reduction in the number of these contacts a cost offset is created. However, for the vast majority of individuals accessing homelessness support the potential size of justice cost offsets is considerably smaller.

[11] The correlation between the amount of time spent living in homeless circumstances in the follow-up period and 'Total respondent justice costs' in the follow-up period is similar (Single Men $\rho = 0.452$, $p=0.060$), (tenancy support $\rho = 0.641$, $p=0.018$) (See Appendix 1).

Figure 40: Distribution of 'Total respondent justice cost' and 'Change in total respondent justice costs, by support type (Dollars)



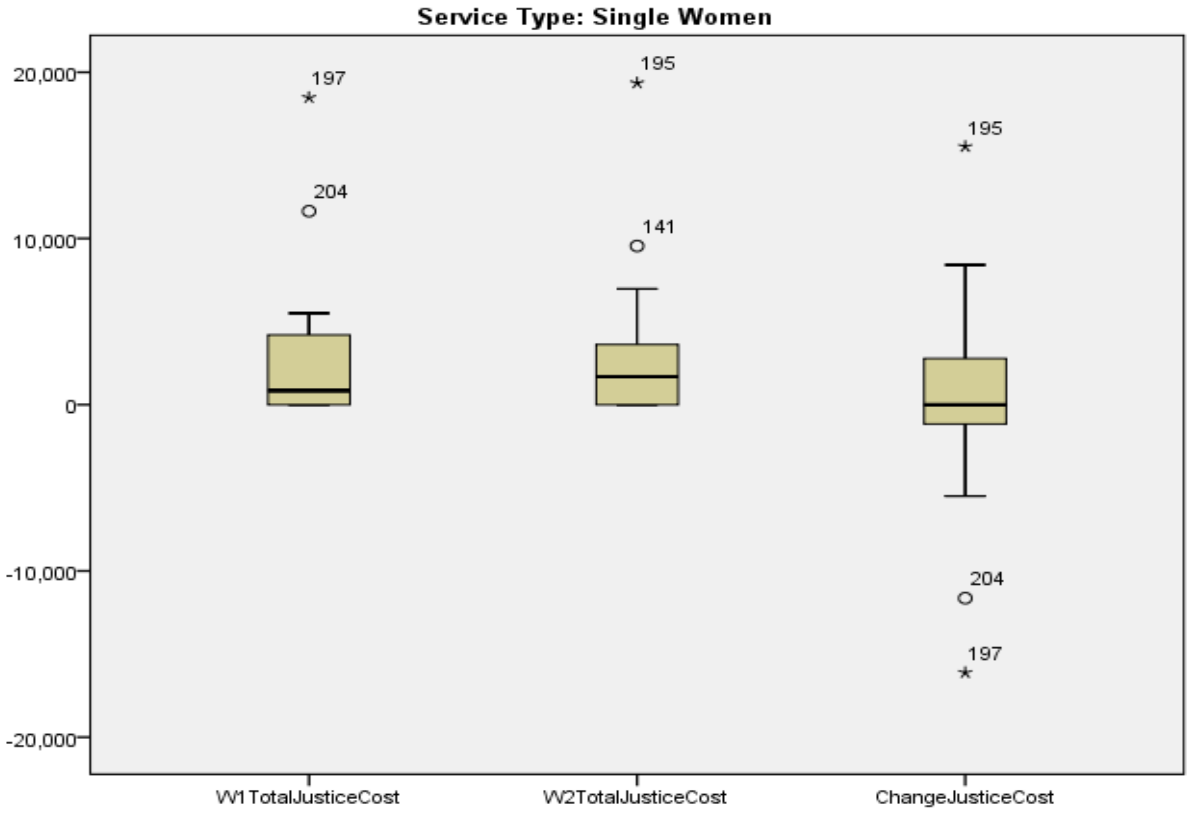
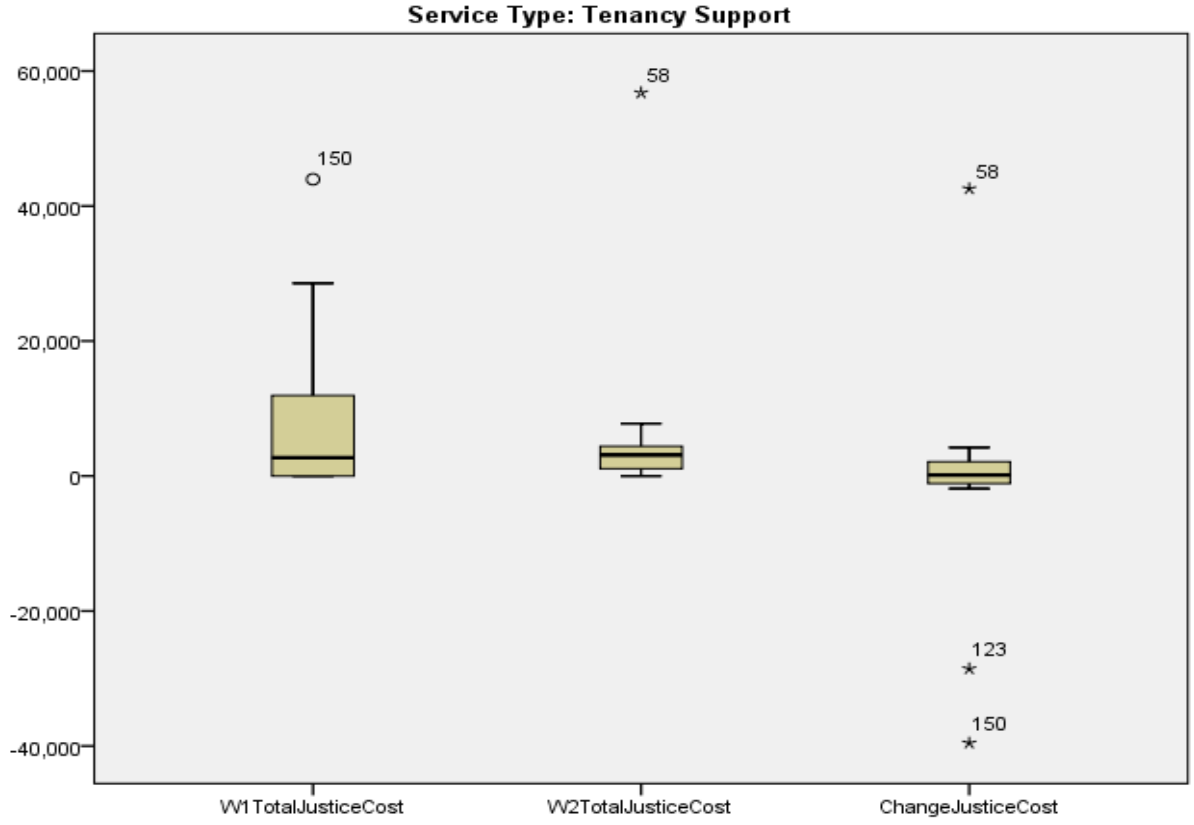


Figure 40 (cont.) Distribution of 'Total respondent justice cost' and 'Change in total respondent justice cost', by support type (Dollars)



5.4 Total value of cost offsets—sensitivity

Table 30 reports the total value of cost offsets across the non-homelessness services examined (health, justice, net welfare payments and eviction) and the sensitivity of these estimates to the distribution of health and justice costs. The baseline estimate of the value of offsets refers to the mean change in health and justice costs and the mean change in net welfare payments, as presented in Section 4.6.

As discussed previously, mean health and justice costs and the associated change in these costs, although real, are in part driven by the lower limit on costs of zero and the high costs observed for a comparatively small number of respondents. They do not represent the change in costs for the 'typical' person accessing homelessness support. To address sensitivity of conclusions to this issue the total value of cost offsets is also estimated using the 5 per cent trimmed mean and the median of the change in total respondent cost of health services and the change in the total respondent cost of justice services. When considering the value of cost offsets using the 5 per cent trimmed mean as the measure of health and justice offsets, the total offset is $1391/respondent. The difference between this and the baseline estimate of $3685/respondent is driven largely by the lower estimate for the value of justice offsets for single men respondents. The offset (5% trimmed mean) across the three cohorts is largely the net of a large positive offset observed for single women, and an increase in non-homelessness costs observed for both single men and tenancy support respondents. For these latter two cohorts, after excluding outliers, a positive cost offset is observed in relation to justice services, but there is an increase in health service cost and net welfare payment after support for these two cohorts. This increase reflects a general increase in use of health and welfare services and associated costs for government.

Table 30: Total offsets and sensitivity analysis, by support type (2010–11)

	Single men ($)	Single women ($)	Tenancy support ($)	Total
Health (mean)	4,640	-9,295	3,448	-1,559
Justice (mean)	-6,447	146	-1,540	-2,397
Net welfare payments	418	229	26	271
Total Offsets	-1,389	-8,920	1,934	-3,685
Sensitivity analysis—5 per cent trimmed mean health and justice offsets				
Health (5% trimmed mean)	4,267	-8,161	3,497	-608
Justice (5% trimmed mean)	-3,109	230	-1,884	-1,054
Net welfare payments	418	229	26	271
Total offsets (5% trimmed mean)	1,576	-7,702	1,639	-1,391
Sensitivity analysis—median health and justice offsets				
Health (median)	1,122	-3,345	2,189	241
Justice (median)	-451	0	156	0
Net welfare payments	418	229	26	271
Total offsets (median)	1,089	-3,116	2,371	512
Eviction offsets	-670	-610	0	-480
Total offsets including eviction	-2,059	-9,530	1,934	-4,165
Total offsets (5% trimmed mean including eviction	906	-8,312	1,639	-1,871
Total offsets (median) including eviction	419	-3,726	2,371	32

Considering the median change in costs, the cost of non-homelessness services is higher by $512/respondent, so no cost offset is observed. A small increase in cost is observed for health and net welfare payments, and the change in justice costs is zero. Again this varies markedly between cohorts. When considering the individual cohorts, the median change in health costs largely determines the total change in the cost of non-homelessness services. For single men, a median increase in cost of $1089/respondent is found. This predominately relates to the increase in median cost of health services of $1122/respondent, with offsetting changes in the cost of justice services (-$451) and net welfare payments ($418). A substantial cost offset is still observed for single women ($3116/respondent). Again this is primarily driven by the median change in health service costs, a decrease of $3345/respondent, with the median change in the cost of justice services being zero and a small increase in the value of net welfare payments. An increase in the cost of non-homelessness services is also observed for tenancy support respondents ($2371/respondent). Of this, $2189 relates to the median increase in health costs, and a small increase is observed in both justice costs and net welfare payments.

If the eviction offset is included in the total offset when considering the 'Total offset (5% trimmed mean) including eviction', a cost offset is observed for single women of $8312/respondent and overall at $1871/respondent. An increase in non-homelessness costs (5% trimmed mean) is still observed for single men ($906/respondent), and the increase in non-homelessness costs for tenancy support clients does not change.

When considering ‘Total offset (median) including eviction’, a positive offset is only observed for single women ($3726/respondent). However, the net increase in the cost of non-homelessness services for single men is a smaller $419/respondent and overall essentially no cost offset from the change in the total cost to government of non-homelessness services, including eviction, is observed.

5.5 Conclusion

The mean change in the health and justice costs largely reflects the change in service utilisation of a comparatively small group of respondents who report high use of higher cost services. When the 5 per cent trimmed mean change in cost is considered, excluding the largest positive and negative changes in cost, a positive cost offset is still observed for single women and overall an offset of $1391/respondent is observed. The main difference between the mean change and the 5 per cent trimmed mean change in non-homelessness costs is the exclusion of outliers in relation to justice service contacts for single men. When the median change in service cost is considered, a cost offset is only observed for single women and, overall, a small increase in the cost of non-homelessness services of $512/respondent is observed.

The difference between the mean cost of non-homelessness services, the 5 per cent trimmed mean and median suggests that although the mean offsets are real they are not representative of the offset realised for the ‘typical client’. The fact that estimated offsets are driven by a comparatively small number of respondents and their use of high-cost services suggests that the estimated offsets are sensitive to sample selection. Again, further research, preferably with large sample sizes through access to administrative data, is required to validate these findings.

6 FUNDING AND THE COST OF PROVIDING SPECIALIST HOMELESSNESS PROGRAMS

6.1 Introduction

In order to examine the cost-effectiveness of specialist homelessness services it is necessary to estimate the cost of providing those services. As discussed in the WA study by Flatau et al. (2008), cost-effectiveness focuses on the cost of providing assistance and the associated outcomes. This dual focus recognises that while a lower service cost may be desirable, all else equal, it may also reflect factors such as shorter support periods or lower service quality, which potentially lead to poorer client outcomes. Cost-effectiveness is concerned with costs relative to client outcomes, and must also take into account the underlying needs of those clients, with some client groups and individuals displaying more complex needs than others. All cost figures in this report should be analysed with this point in mind.

The recurrent cost of providing specialist homelessness services is predominantly met through government program funding: NAHA and NPAH (see Chapter 2). The majority of this funding is allocated to the NGOs that deliver these services. However, this does not represent the total government funding to assist those at risk of homelessness, nor does government funding necessarily equate to the total cost of providing these services. We examine the following components of government funding for specialist homelessness services in order to provide as complete an estimate as possible of the total cost of providing these services for the four intervention points examined:

- NAHA and NPAH funding allocated to NGO service providers.
- NAHA and NPAH funding not allocated to agencies, allocated to administration, training, and so forth.
- State and territory funding to assist with service viability.
- The opportunity cost of capital employed by government to provide supported accommodation to clients.
- The government cost of maintenance for properties used for supported accommodation.
- Other costs to government for programs that assist persons at risk of homelessness but are not incorporated within the NAHA and NPAH framework, for example, financial hardship loans and bond schemes.

The cost of providing homelessness services at the four intervention points is examined using a number of different data sources. Firstly, funding data are obtained from publicly available sources such as SAAP NDC data published by the AIHW, the Report on Government Services (RoGS) published by the Steering Committee for the Review of Government Service Provision (SCRGSP) and annual reports. A literature search was also conducted in an attempt to find any relevant data relating to funding for homelessness services and other housing related services with a focus on persons at risk of homelessness. State government departments operating homelessness support programs were also approached to provide information regarding the amount of funding provided for tenancy support and street-to-home programs funded under the NPAH and the value of capital invested in government funded accommodation available for specialist homelessness services.

The cost of operating specialist homelessness services is dependent on a range of factors, including:

- The target intervention point and type of support provided under services operated under that program.
- Whether accommodation is provided and the proportion of clients who receive it.
- The number of one-off assistance events.
- The complexity of client needs.
- The average length of a support period.
- The extent to which support is provided via a brokerage arrangement, rather than by the service itself.

In assessing the cost-effectiveness of homelessness interventions these issues must be considered when examining both the cost of providing support and the change in client outcomes. As noted in Baldry et al. (2012), although publicly available information and data are a useful starting point and fallback position, this top-down approach is largely a 'black box', providing an average cost of program support but no details as to what goes into a period of support or how the cost varies with the target group. A bottom-up estimate derived from the collection of primary data provides more informative cost estimates (Pinkey & Ewing 2006) and, in the context of the current study, allows for the de-aggregation of costs by client cohort and provides information relating to the cost structure of services and non-government resources used in the provision of homelessness services.

Following Flatau et al. (2008), in order to develop a bottom-up estimate of the cost of providing support, detailed information was collected directly from the agencies and services participating in the study via a survey referred to as the Agency Survey. As noted in the 2008 study, there is no obvious source of costing information which could be used to derive unit costs using a bottom-up approach (Pinkey & Ewing 2006; Estill and Associates 2006). Except for the bottom-up costing for the WA services examined in Flatau et al. (2008) we were not able to find any other sources that suggest that this situation has changed. The lack of available data is also evidenced in a recent study by Baldry et al. (2012), where restrictions in data availability meant that it was not possible to estimate the cost of SAAP support for the study cohort. The primary data collected here, and the bottom-up costs derived from it, are drawn from services operating across four states and include services introduced with the NPAH. They represent a significant contribution to understanding the cost structure of these services.

The purpose of the Agency Survey was to provide information on the profile of the agencies which delivered the specialist homelessness services that participated in the study, clients assisted, sources of income, human and capital resources employed and the cost of providing the services. Data collected via the Agency Survey included:

- Recurrent government funding and funding obtained from other sources such as grants and donations.
- Capital funding received during the year.
- Client numbers and whether or not clients received accommodation support.
- Average length of support periods.
- A breakdown of expenditure incurred in delivering services (e.g. salaries, administration costs).
- The number of staff involved in service delivery.
- The amount and type of accommodation available and the value of any agency funded accommodation.

This provided adequate detail to examine average costs for a particular service and target group only. Service providers advised that it was not practical to extract data to examine costs based on more detailed cost drivers: for example, on complexity of client needs or length of support period. It was also not practical to identify the different activities undertaken by each service and separate costings for each activity. For example, one service operated a hostel with a small number of beds allocated to high turnover clients who stayed one or two nights, plus a number of beds allocated to clients with longer support periods. However, it was not possible to extract costs separately for each client group and therefore not possible to determine a cost per client for each client group. Instead an average cost per client was determined and the cost per client day is based on a weighted average length of support periods. The limitations of available data to identify more detailed cost drivers and estimate the associated unit costs were also noted by Baldry et al. (2012).

This chapter utilises publicly available and government provided data to develop a top-down estimate of the cost to government of providing support including recurrent funding and the cost of capital employed. Secondly, data from the Agency Survey is used to develop a bottom-up estimate of the costs incurred by participating services and associated cost to government.

6.2 Top-down program cost estimates

6.2.1 Supported accommodation programs

Supported accommodation services for single men and single women are funded under the NAHA. Information regarding funding provided directly to the agencies delivering specialist homelessness services under NAHA, including the number of clients supported and the length of support, is provided in both AIHW reported SAAP NDC statistics and RoGS. The RoGS also provides information regarding additional funds allocated by state and territory governments above the NAHA agreement, and funding for administration and training. Baldry et al. (2012) notes that the RoGS is the most comprehensive and widely referenced public source of information relating to government costs.

Annual reports from the relevant department of housing for the four states included in this study (NSW, Vic, SA and WA) were examined to extract details of funding and client numbers for NAHA and NPAH funded programs. These reports provided limited information in regard to the cost of tenancy support programs and the range of other assistance provided by state governments to persons at risk of homelessness, for example rental support to private renters and bond loan schemes.

Funding for specialist homelessness services, as reported by the AIHW, and the associated unit cost measures (funding per client; funding per closed support period; and funding per day) are reported in Table 31 for 2010–11. The method used to calculate unit cost measures follows that used in compiling the RoGS (see Tables 17A.17 to 17A.19, SCRGSP 2012). The recurrent allocation reflects agency level allocations only. It excludes funds not allocated to agencies, for example, funds allocated for administration, training, research and evaluation. The total recurrent expenditure on homelessness services, including administration, is reported in Table 32.

It should also be noted that, following RoGS, funding per support period is based on the number of closed support periods during the year excluding casual clients and persons with a valid unmet need for accommodation. It is not based on the total number of support periods. However, the funding per client is based on the total number of clients accessing support during the period, including ongoing clients. Clients with open support at the start of the reporting period, and clients with an open support period at the end of the reporting period, are both included. In contrast, support periods open at the start of the reporting period and closed during the reporting period are included, but support periods open at the end of the reporting period are excluded. This inconsistency in the manner in which the

denominator is defined will create a downward bias on the reported funding/client compared with the funding/support period. Thus, the funding per client reported here will underestimate the actual funding per client. To provide some indication of the extent of this downward bias, in 2010–11 the mean number of support periods per client in Australia was 1.7 (AIHW 2011b). Given 203 100 closed support periods, this suggests funding of $4139/client for 119 470 clients with closed support. This is 19.3 per cent higher than the reported $3470 funding/client for clients with closed support.

Table 31: Recurrent funding: per support period, per client and per day (2010–11)

		NSW	Vic	WA	NSW, Vic, WA	Aust
Agreement funding (a)	$m	132.8	114.1	41.3	288.2	438.4
Total allocation (b)	$m	134.1	118.6	41.3	294.0	494.5
Closed support periods		51,400	74,000	15,400	140,800	203,100
Funding/closed support period	$	2,609	1,603	2,682	2,088	2,435
Clients (c)		44,100	41,600	11,600	97,300	142,500
Funding/client	$	3,040	2,851	3,560	3,022	3,470
No. of support days (d)	000s	6,205	3,613	1,131	10,950	15,768
Funding/support day	$	22	33	37	27	31

(a) Includes agency level allocations only. Excludes funds not allocated to agencies, eg. funds allocated for administration, training, research and evaluation. Does not include state and territory funding to assist with service viability and/or SAAP like activities over and above the funding provided by the NAHA and NPAH agreements.

(b) Includes additional state and territory funding above the amount determined in the NAHA and NPAH, as reported by AIHW.

(c) Ongoing clients were included in the data.

(d) Includes clients whose support period was ongoing at 30 June. Support period excludes any dates outside the reference period of 2010–11. This is calculated as the 'Daily average support periods' (AIHW 2011b, 2011c, 2011d, 2011e, Table A4) multiplied by 365, and is therefore subject to rounding of the 'Daily average support periods'.

Source: Compiled from AIHW (2011b, 2011c, 2011d, 2011e), Tables A1, Table A4 and Table A17

The study examines outcomes for clients of supported accommodation services delivered in NSW, Victoria and WA. No South Australian supported accommodation service participated. The funding of supported accommodation programs varied across the jurisdictions. In 2010–11 allocations to agencies delivering supported accommodation in the three states totalled $294.0 million, or 60.0 per cent, of the total $494.5 million allocated across Australia. In total 97 300 clients were supported, representing 68 per cent of the total 142 500 clients assisted Australia wide. The average funding per client across the three states was $3022, approximately 13 per cent lower than the Australian average of $3470. Similarly, across the three states the funding per closed support period of $2088, and the funding per day of support of $27, were lower than the Australian average by 14 and 13 per cent, respectively.

In addition to funds provided to agencies to deliver services, government incurs costs to administer programs and provide training to service providers. Administration costs incurred by government in relation to homelessness services as a proportion of total state and territory expenditure on homelessness services was, on average, 2.61 per cent across the three states examined and 2.9 per cent for Australia (SCRGSP 2012, Table 17A4). This proportion was used to estimate the funding of supported accommodation services grossed up for government administration costs, as reported in Table 32. Administration costs add $78/client across the three states and $101/client on average across Australia.

Table 32: Total recurrent funding for homelessness services and administration (2010–11)

		NSW	Vic	WA	NSW, Vic, WA	Aust
Total recurrent allocation (a)	$m	134.1	118.6	41.3	294.0	494.5
Add Administration (b)	%	2.88	2.61	2.04	2.61	2.90
Total	$m	138.0	121.7	42.1	301.6	508.8
Number of clients (c)		44,100	41,600	11,600	97,300	142,500
Funding/client including administration	$	3,128	2,925	3,633	3,100	3,571
Number of support days (c)	000s	6,205	3,613	1,131	10,950	15,768
Funding/support day including administration	$	22	34	37	28	32

(a) Includes state and territory funding, over and above NAHA agreement to assist service viability.

(b) Source: Compiled from RoGS (SCRGSP 2012), Table 17A.4

(c) Source: AIHW (2011b, 2011c, 2011d, 2011e), Table A.4.

Once administration costs are considered, the average recurrent funding per client is $3100 across the three states and $3571 across Australia. The associated recurrent funding/client day is $28 across the three states and $32 for Australia.

It should be noted that funding estimates derived from both RoGS and the SAAP NDC are subject to several cautions. Across jurisdictions, the types of services delivered vary. There are differing treatments of expenditure items (for example, superannuation) and different counting and reporting rules for generating financial data. Differences in expenditure data across jurisdictions might, therefore, to some extent reflect differences in service models and in the way in which data are compiled, rather than true variations in expenditure (SCRGSP 2012).

Along with the change in policy and service delivery arrangements that occurred when the SAAP agreement was discontinued in 2008–09 and was replaced by the NAHA, and the subsequent commencement of the NPAH in July 2009, there has also been a change in data collection for Specialist Homelessness Services, commencing July 2011. The AIHW states that the SHS pre-implementation requirements may have impacted the ability of some agencies to participate fully in data collection in the final stages of the SAAP NDC, with 89.5 per cent of agencies participating in 2010–11 (AIHW 2011a, 2011b).

Prior to commencement of the NPAH in July 2009 SAAP NCD related only to programs funded under SAAP, or its replacement the NAHA. The Specialist Homelessness Data Collection for 2009–10 and 2010–11 relates to agencies funded under both the NAHA and the NPAH. However, not all jurisdictions have included NPAH and other partnership agreement funding or agencies for these years, and the addition of agencies funded under the revised arrangements has not been uniform across jurisdictions (AIHW 2011a). The inclusion of NPAH funded programs widens the scope of program types reflected in the SAAP NDC report, compared with pre-2009–10 reporting. Potentially these figures reflect NPAH funded programs such as tenancy support, safe-at-home and street-to-home, in addition to supported accommodation programs. Therefore any ‘cost per client’ or ‘cost per period of support’ calculated from 2010–11 or 2009–10 information potentially reflects an average cost across a broader range of program types in comparison to pre 2009–10 data.

Related to these issues is the fact that although agencies are most commonly designed to provide either medium-term to long-term supported accommodation (40% of agencies in 2009–10), crisis or short-term accommodation (30.5% of agencies in 2009–10) and multiple services (9.1% of agencies in 2009-10) (SCRGSP 2012), only a small proportion of support

periods were recorded as involving a period of supported accommodation of one night or more, and this decreased over time. On average across Australia, 27.3 per cent of support periods included supported accommodation in 2010–11, or 36 per cent once Victoria was excluded[12] (AIHW 2011b). AIHW (2011a) states that this decrease can be partly explained by the increased emphasis in recent policies on pre-crisis intervention and post-crisis transitional support. These policies have led to an increase in the provision of support-only services to prevent people at risk of homelessness from becoming homeless in the first place and to assist those people who have previously been homeless from falling back into homelessness (AIHW 2011a). However, given the ongoing decrease both pre and post introduction of the NPAH, it is not possible to estimate the extent to which the decrease reflects inclusion of NPAH programs in the SAAP NDC which do not offer accommodation, such as tenancy support.

Given this range of issues any unit cost estimates made using publicly available data relating to specialist homelessness programs, including those published in the RoGS and by AIHW, should be treated as indicative only and representing an average cost across a wide range of different service models and affected by the range of counting and reporting methods applied across the jurisdictions. To obtain robust data that allows unqualified statements to be made regarding program funding and the cost-effectiveness of the different homelessness programs operated by government it will be necessary to adopt more transparent reporting of program costs and activity levels. It will also be necessary for the different jurisdictions and programs operated within each jurisdiction to conform to common counting and reporting practices.

6.2.2 Tenancy support programs

Tenancy support services are typically provided under NPAH funding. Government departments in Victoria, South Australia and Western Australia were requested to provide information relating to the cost of providing tenancy support programs under the NPAH. No tenancy support program from NSW was included in the study. WA also provides the SHAP program to support public housing tenants at risk of eviction. This program is state government funded and a request for information was placed with the WA Department of Housing, which delivers the program. Information was received from all four states, as discussed below, and is presented in Table 33. In addition a literature search was conducted and annual reports examined to identify information relating to the cost of providing tenancy support services.

The average cost to government of providing a period of tenancy support across the three states examined in this report (noted above), is estimated as $1970/client (see Table 33). This figure should be treated with caution and interpreted as an estimate only for the purpose of examining the cost benefit of tenancy support programs as defined in the current study. It should be noted that programs are not equivalent across the jurisdictions and differ in intensity and duration of support. Also, the manner in which the number of clients is calculated differs between jurisdictions and in some cases it is possible that clients are represented more than once within a year, as discussed below. Therefore this estimate provides a conservative estimate of funding per tenancy support client. It is not expected that the funding per client will be equivalent across the three states. Nor should a comparison be made between the funding per client reported for each state. Further detail of the cost of providing tenancy support programs for each state is provided below.

[12] In Victoria much of the specialist homelessness accommodation is provided through the complementary THM program, which collects data separately to the SAAP NDC. As such, accommodation-related data in Victoria is not recorded in the SAAP NDC in a way that is consistent with other states and territories (AIHW 2011a).

Victoria

The Victorian Government provided details of the funding for programs operating under the Social Housing Advocacy and Support Program (SHASP), which is a tenancy support program. In 2010–11 recurrent funding for the SHASP program totalled $6 384 047, with 7803 support periods provided to clients. This implies funding of $818 per support period (unpublished data provided by Department of Human Services Victoria). However, some households will receive more than one support period within a year, so the number of households assisted will be fewer than this, and the funding/household correspondingly greater. SHASP operates as part of the Public Housing Infrastructure Program (PHIP), which also encompasses tenancy participation, community facilities management, training and education and a community contact service.

It should be noted that the SHASP program covers a range of activities that offer services ranging from phone services, with an expected one hour per episode, to assistance provided through community service organisations to assist tenants to establish and maintain their tenancy. The expected duration of tenancy support varies by activity and complexity of client needs, ranging from a one hour one-off instance of assistance to 39 hours of support over a period of six months (DHS 2010). The reported cost per client for SHASP represents an average across these activity and client types.

To assist with identifying the cost of the type of case managed tenancy support accessed by respondents to the Client Survey, the Department of Human Services (Vic) provided a breakdown of funding and support periods by program category. Of the total 2010–11 funding, $1 987 622 related to the 'Intervention' program. This program assists people in a public tenancy to resolve factors placing the tenancy at risk. For the 2010–11 year 1544 support periods were provided under this program with funding of $1287/support period. It should be noted that the available data relate to support periods rather than clients. The Victorian Auditor General's Office also stated that caution should be used when referring to client numbers. A client is closed if they are absent from the service for a month and then recorded as a new client on their return. Therefore client numbers can include multiple counts of the same client (VAGO 2013). Thus this estimate of funding per client is likely to be conservative.

South Australia

The South Australian Government provided details regarding the cost of providing the Intensive Tenancy Support (ITS) program. For 2010–11 the total funding for the Intensive Tenancy Support program was $1 883 093. The reported number of clients supported during this period was 1900. This implies funding per client of $991. The SA Department for Communities and Social Inclusion (DCSI) also noted that the target number of clients was 700 and it is possible that some overreporting of client numbers may have occurred. However, it is not possible to confirm this (unpublished data provided by DCSI SA). The SA Housing Trust (2012, p.47) Annual Report for 2011–12 notes: '2010–11 data was based on manually collated and summary level information provided quarterly by homelessness agencies. From 1 July 2011, client level data has been collected from the H2H system.' The H2H system is considered more robust and has decreased potential for duplication of clients. The number of ITS clients for the 2011–12 period was reported as 986.

Taken together the available evidence suggests that the estimated $991 per client in 2010–11 should be treated as a conservative estimate.[13] In light of these issues the 2011–12 expenditure of $1.92 million and associated 986 clients supported (unpublished data from DCSI; SA Housing Trust 2012) have been used to estimate ITS funding per client for the purposes of this study. The 2011–12 total expenditure has been deflated by 2 per cent to

[13] The South Australian Auditor General's office did not conduct an evaluation of NPAH programs in that state, and no further insight appears to be available.

reflect funding indexation over this period. The resultant cost per client (in 2010–11 dollars) is $1909. This funding/client is considered to be more representative than that estimated using the 2010–11 statistics.

Western Australia

In Western Australia, tenancy support services provided under the NPAH are delivered through the WA Department for Child Protection and Family Support (DCPFS) through a range of programs. The two DCPFS programs of relevance here are Private Tenancy Support and Public Tenancy Support. DCPFS provided details of the 2010–11 expenditure for these two programs. The number of primary clients (households) assisted was sourced from the WA Auditor General's Report on the implementation of the NPAH in WA (Office of the Auditor General WA 2012).[14] In 2010–11 expenditure on Private Tenancy Support was $863 651 and support was provided for 261 clients, implying an average funding per Private Tenancy Support client of $3205. For the same period, expenditure on Public Tenancy Support was $1 063 750 and support was provided for 154 clients, implying an average funding per Public Tenancy Support client of $6907. The funding per tenancy support client in WA, reported in Table 33, represents a weighted average across these two programs.

DCPFS also advised that a number of Public Tenancy support programs had not yet commenced in 2010–11. Once services were fully operational in 2011–12 client numbers increased significantly, bringing down the cost per client. Therefore, the higher cost per client observed for WA in part relates to conservative client counting rules (total households), and higher cost/client incurred in the start-up phase of programs.

The WA Department of Housing also delivers the SHAP program to assist public housing tenants at risk of losing their tenancy. The Department advised that at this stage they were not able to provide information to estimate the cost per client. They advised that current expenditure on SHAP was $5.4m/year with funding based on FTE employees (unpublished data provided by DoH WA). The Department currently collects data on client numbers at a point in time only. A new data collection system will be implemented mid-2013 which will provide more robust information on the number of clients assisted over a period.

Table 33: Funding for tenancy support programs (2010–11)

	Victoria[1,4]	South Australia[2,4]	Western Australia[3,4]	Total/Average
Funding ($000s)	1,987.6	1,883.1	1,927.4	5,798.1
Clients	1,544	986	415	2,945
Average funding/client ($)	1,287	1,909	4,644	1,970

Sources:

1. Unpublished data from the Department of Human Services (Vic).

2. Unpublished data provided by DCSI (SA). Statistics relate to 2011–12. 2011–12 expenditure is deflated at 2 per cent, representing the increase in program funding from 2010–11 to 2011–12.

3. Unpublished data provided by the DCPFS (WA) and the Office of the Auditor General WA (2012) report on the implementation of the NPAH in WA.

4. Note: programs are not equivalent across states. They differ in intensity and duration of support and client counting rules. No comparison should be made across states. Refer to discussion for each state.

[14] It should be noted that client numbers reported in the Auditor General's Report and the NPAH Implementation Plan Annual Report (FaHCSIA n.d.) for the 2010–11 period are different. DCPFS advises that the NPAH Annual Report included preliminary figures only.

6.2.3 Street-to-home programs

Relevant government departments were requested to provide information relating to funding for street-to-home programs under the NPAH. In addition a literature search was conducted and annual reports were examined to identify any information relating to the cost of providing street-to-home programs. Although no South Australian street-to-home program participated in the study, the SA Government provided data on funding for these programs. This is included in the discussion below, but not in the calculation of the average funding for street-to-home programs participating in the study.

The average annual cost to government of providing a period of street-to-home support, across the two states where services participated in the study, is estimated as $6425 per client (see Table 34). This represents a mix of clients receiving street outreach support and intensive case managed outreach once housed. As with tenancy support programs, this figure should be treated with caution and interpreted as an estimate only for the purpose of examining the cost of street-to-home programs as defined in the current study. It should be noted that programs are not equivalent across the jurisdictions; they differ in intensity and duration of support. There are differences between jurisdictions in the manner in which the number of clients is calculated, the mixture of street outreach and in-home support, and the duration of a period of support. It is not expected that the funding per client will be equivalent across the states. Nor should a comparison be made between the funding reported for each state. Funding for street-to-home programs for each state is discussed further below.

NSW

Housing NSW provided information in relation to the Newcastle street-to-home project and the Way2Home project operating in the Sydney CBD. Details of program costs are discussed below and summarised in Table 34.

In the period 2009–13, funding for the Housing NSW component of the Newcastle project was $2.62 million, enabling 1323 clients to be assisted. This implies an average funding for the Housing NSW component of the Newcastle project at $1980 per client. Approximately one-third of clients were case managed and the remaining two-thirds received one-off assistance (unpublished information from Housing NSW). Health NSW and Legal Aid also received funded in relation to this program. Housing NSW funding represented approximately 40 per cent of the overall program funding (2009–13) (unpublished information from Housing NSW), giving an estimated total funding per client of approximately $5000. As two-thirds of clients were not case managed, the funding per case managed client would be greater. It is not possible to determine an estimate from the information available. However, at the extreme, if it is assumed that all costs are driven by case managed clients, the associated cost per case managed client would be $14 850. This represents an upper limit, so the cost per case managed client would be somewhere between $5000 and $14 850. However, even if the cost per one-off assistance were as high as $2500, the implied cost per case managed client would be $10 000[15]. Therefore, it is likely that the cost per case managed client is between $10 000 and $14 850.

The Way2Home project has been operating in the Sydney CBD since April 2010. Housing NSW advised that the Way2Home project budget was $1.44 million per annum (2010–13), provided by Housing NSW and the City of Sydney. The project would assist approximately 200 homeless clients per annum through outreach support provision, with a stronger focus on those with more complex needs (unpublished data from Housing NSW). This suggests average funding of $7200 per client. In addition to this program funding, Way2Home receives additional funding from the Commonwealth Government for inclusion of the Health Outreach Component provided by St Vincent's Hospital. This is not included here.

[15] If the cost of a one-off assistance is assumed as $1000 ($2000), this implies a cost per case managed client of approximately $13 000 ($11 000).

Neami, which is funded to deliver the housing support portion of Way2Home, also provided details in relation to the project. They advised that the project provided street outreach support to persons who were rough sleeping and that the original budget reflected an aim to house and provide intensive in-home outreach support to between 50 and 60 people per year. Notionally the budget for intensive outreach support for persons who had been housed was around $850 000 to $900 000. This implies an average cost of between $15 000 and $17 000 per person housed. The implied average cost per person receiving street outreach support was $3700/client. However, the actual number of clients receiving in-home support, and the cost of that support, varies over time and with the needs of clients. An evaluation of the program (Wilhelm et al. 2012) estimated that over the first two years Way2Home supported 151 people into permanent housing, at an average cost of $18 500 per person housed. This represents a much greater emphasis on in-home support than originally budgeted and, consequently, less time was spent on street outreach. The actual cost of support varied greatly with client needs and the level of intensity of support required. Neami is currently (2013) undertaking an exercise to estimate unit costs for clients with different support requirements which suggests that costs can range from between: $45 000 to $50 000 for a client receiving a high level of support; $25 000 to $30 000 for a client receiving medium levels of support; and $10 000 to $11 000 for clients receiving low levels of support (unpublished data from Neami). Thus, within the available funding the total number of clients supported and the average cost per client is largely determined by the client mix at a point in time.

The literature review resulted in one additional source of information relating to the cost of providing street-to-home type services. As part of the evaluation of the NSW Housing Intervention Program (HIP) ARTD consultants reported on the cost of providing a period of support through the Housing Intervention Team (HIT) initiative (ARTD 2010). This program is not included in the current study, but is discussed here to provide additional insight into program costs. The HIT aimed to house and provide support for 12 months to 20 chronically homeless people in inner Sydney under a housing first model. It involved a partnership between NSW Health, Housing NSW and Community Services. The total project cost was estimated at $802 936, which included: an estimated $240 000 in government salaries incurred in project administration; and agency costs of $562 936, including $83 276 in agency administration costs. An estimated 85 per cent of agency costs, or 60 per cent of total project costs, were spent directly on agency client services. This implies a cost per client at the agency level of $28 147, and $40 147 per client once all costs including government administration are included. Given the actual number of tenancy days generated, the estimated cost to support a chronically homeless client in Sydney inner city was $140 per tenancy day sustained. This does not include the cost to the health system or the cost of providing accommodation. It was also noted that the true cost may be higher if the full administrative costs were known, as some stakeholders raised concerns about the amount of time spent administering the project relative to the number of clients supported. An estimate was also made on the cost per additional tenancy day sustained of $83. However, this was based on the assumption that all administrative costs incurred by government and the NGOs delivering the program remained the same regardless of the length of support, and only direct client support costs changed.

South Australia

The South Australian street-to-home program funding in 2010–11 was $1 543 000, jointly funded by the DCSI and the Department for Health and Ageing SA. During that period a total of 162 clients were assisted: 80 were housed in long-term accommodation and 82 in transitional accommodation (unpublished data provided by SA Department for Communities and Social Inclusion). This implies funding of $9525 per client assisted. As all SA street-to-home clients are assisted while housed, this also represents funding per person housed.

Table 34: Funding for street-to-home programs (2010–11)

	NSW		Western Australia[3,4]	Total/Average
	Newcastle[1,4]	Way2Home[2,4]		
Housing NSW Annual funding ($000s)	655.0			
Annual funding ($000s)		1,440.0	2,435.5	
Clients—Outreach	220	125	111	
Clients—Housing Support	110	75	219	
Total clients	330	200	330	860
Housing NSW funding/client $	1,980			
Funding/client $	5,000	7,200	7,380	6,425

Source:

1. Department of Housing NSW. Clients receiving one-off assistance are shown as 'Clients—Outreach', clients receiving case managed support are shown as 'Clients—Housing Support.' Funding and client numbers represent the 2009–13 estimates, assuming equal allocation across each year.

2. Housing NSW, unpublished data from Neami.

3. DCPFS unpublished data and Office of the Auditor General WA (2012).

4. Note: programs are not equivalent across states. They differ in intensity and duration of support and client counting rules. No comparison should be made across states. Refer to discussion for each state.

Western Australia

In Western Australia street-to-home programs include both Intensive Outreach and Housing Support programs. DPCFS reported that 2010–11 expenditure for street-to-home programs in total was $2 435 482. The Office of the Auditor General WA (2012)[16] report on the implementation of the NPAH showed that 330 primary clients were assisted in total in that same period: 111 Outreach clients and 219 Housing Support clients. This implies funding of $7380 per street-to-home client.

6.2.4 Cost of capital employed

Programs providing supported accommodation for single men and single women, as well as street-to-home programs, provide both client support services and accommodation. For these programs, the total cost of providing support includes both the recurrent cost plus the cost of government capital invested in properties available for client accommodation. This cost of providing accommodation to clients is primarily the opportunity cost of having funds invested in the properties, referred to as the user cost of capital. The cost of capital per night of accommodation support provided is defined as:

(Average capital value per accommodation unit * user cost of capital)/365.

The user cost of capital applied by the Productivity Commission of 8 per cent is used here to estimate the cost of capital employed. The Productivity Commission includes a user cost of capital when determining the full cost of government services, such as correctional services, where the full cost is defined as recurrent cost plus capital cost. The Commission states that: 'the user cost of capital makes explicit the opportunity cost of this capital (the return forgone

[16] It should be noted that client numbers reported in the Auditor General's Report and the NPAH Implementation Plan Annual Report (FaHCSIA nd) for 2010–-11 are different. DCPFS advises that the NPAH Annual Report included preliminary figures only.

by using the funds to deliver services rather than investing them elsewhere or using them to retire debt)' (SCRGSP 2012, p.8, p.25). It should be noted that specialist homelessness services cost measures reported by the Productivity Commission represent recurrent costs only. They do not include a user cost of capital, or any other costs of capital. This is due to the pre-NAHA funding arrangement where capital funding for accommodation used by SAAP services was provided under the CAP, which was a separate program (SCRGSP 2012).

To estimate the cost of capital employed it is necessary to determine the average value of an accommodation unit employed in providing homelessness services. Accommodation available to services targeted at single men and single women are a mixture of hostel accommodation, units and houses. The focus is on providing transitional accommodation, with support periods typically ranging from overnight to six months. Prior to the introduction of the NAHA, capital funding for properties used to deliver SAAP services was provided under the Commonwealth State Housing Agreement (CSHA) through CAP. From January 2009 all funding, including capital funding, was rolled into the NAHA (SCRGSP 2012). CAP properties were funded through Australian Capital Grants. These funds were used to purchase and construct properties and to undertake property upgrades. The relevant government department in each state was approached to provide an estimate of the number of properties available for supported accommodation services and the value of these properties.

Street-to-home programs aim to provide clients with longer-term housing. In South Australia all street-to-home clients are housed while being provided with outreach support. In the other states where street-to-home programs were examined, some rough sleepers received street outreach support and some received outreach support whilst housed. Ideally street-to-home programs house previous rough sleepers in long-term accommodation with intensive support to assist them to establish and maintain the tenancy. However, properties available for street-to-home clients include both transitional CAP properties and properties from the mainstream social housing stock, providing a more permanent tenancy arrangement. Generally no specific properties are made available for street-to-home programs; the actual property used for each tenancy is dependent on the needs of the client and properties available at the time. Street-to-home clients pay rent for their tenancy when they are housed in mainstream housing. Consistent with tenancy support, the cost of capital invested in mainstream housing has not been included in total program cost. Data were not available on a statewide basis to establish the proportion of CAP accommodation accessed by street-to-home clients compared with the proportion of mainstream housing, or the average period street-to-home clients spent in various housing circumstances while part of the street-to-home program. Therefore, it has not been possible to determine on a statewide basis the extent to which the street-to-home programs access additional capital resources to provide client accommodation.

The Agency Survey also provides information relating to properties utilised in providing supported accommodation. Although most properties were CAP funded (or equivalent), a small number of properties were owned by agencies providing specialist homelessness services, either wholly or through a joint venture or partnership arrangement. As the cost of capital employed was incurred by the agencies it does not represent a cost to government, so it is not incorporated here. However, it does represent a non-government funded resource to the sector and, as such, is included when determining a total cost of service provision.

The NSW, Victorian and WA governments provided details of the number and capital value of properties used to deliver specialist homelessness services, as reported in Table 35. Property values were recorded at estimated current market value. Although these properties are now funded under NAHA, they are referred to here as 'CAP properties'. All South Australian services participating in the study provided tenancy support only, therefore information relating to South Australian CAP properties was not requested. In NSW, in

addition to the CAP properties, Housing NSW pays recurrent subsidies to support a leasehold portfolio of 236 properties at approximately $2 million per annum. This represents an annual cost per leasehold property of approximately $8475, or $23 per night.

The objective is to estimate the cost of capital employed per client. This requires an estimate of the average capital value per 'unit of accommodation'; where a 'unit of accommodation' is defined as a unit of accommodation suitable to accommodate one client, with accompanying children if applicable. The CAP housing stock allocated to persons at risk of homelessness represents a range of dwelling types: hostels, family homes, bed-sits and one- and two-bedroom apartments or units. Where accommodation is in the form of bed-sits, units and family homes, typically only one client, and any accompanying children, will be allocated to the property at any one time. Therefore each property, other than hostels, is equivalent to one 'unit of accommodation'. In the case of hostels, where support is provided to single clients without accompanying children, each bed would typically represent one 'unit of accommodation'. However, where the service offers accommodation to persons with accompanying children the number of 'units of accommodation' will not directly correspond to the number of beds. It will depend upon the configuration of available rooms and beds and the number of accompanying children. For example, conversations with service providers indicate that where hostel type accommodation is used to provide support to single women and to women with accompanying children, at least some of the rooms will have more than one bed and one client will be accommodated, with accompanying children if applicable, per room. In such a situation the number of accommodation units is determined by the number of rooms.

To accurately determine the average value per 'unit of accommodation' it would be necessary to obtain quite detailed information regarding the number of hostel type properties used to provide SAAP services and the configuration of these properties. This information was not able to be obtained. In addition, classification of property types is different for each jurisdiction. Victoria provided details regarding the number and value of hostel beds. For NSW and WA the capital value of hostels was incorporated within values provided for 'properties'. It was not possible to separately identify the value per hostel bed. This made it impossible to estimate the average capital value per 'unit of accommodation' with any accuracy.

Using the information as provided, the final column of Table 35 provides a rough guide to the cost of capital per night of accommodation support. The lowest cost is for a hostel bed in Victoria and 'Other Properties' in WA (which includes hostel beds), at $44 per night ($16 060 per year). This assumes one bed is equivalent to one 'unit of accommodation', so represents a conservative estimate. The highest cost is for a two- or three bedroom unit in Victoria, at $77 per night ($28 105 per year).

The average value of properties across the three states is calculated as a weighted average of the value of property values, with the weights being the number of identifiable accommodation units. The average capital value per 'unit of accommodation' 'across all CAP properties' is $312 000, with an associated $68 cost of capital per client night ($24 820 per year). Once the cost of leasehold properties in NSW is included, the average cost of capital employed is $66 per client night.

These figures should be treated as indicative only. The calculation implicitly assumes that each identified hostel bed (Vic and WA) is equivalent to one unit of accommodation, and all other properties are equivalent to one unit of accommodation. In NSW some of the 'properties' are hostels, thus the number of 'units of accommodation' will be greater than the number of properties reported. In contrast, in Victoria and WA the number of actual 'units of accommodation' available in hostels is likely to be lower than the number of beds. It is not possible to determine the extent to which these two issues offset.

Table 35: 35 Number and average value of properties: client accommodation (2010–11)

State/source		Number of properties	Total value of properties ($m)	Average value of property ($000s)	Cost of capital per night ($)
NSW					
Housing NSW	CAP properties	1301 properties	391.8	301.1 per property	66
	Leasehold properties used to provide supported accommodation	236			
Victoria					
Department of Human Services	CAP hostel style accommodation	488 beds	97.6	200.0 per bed	44
	CAP and THM non-hostel type accommodation	3700 properties	1295.0	350.0 per 2–3 bedroom unit	77
	Other supported accommodation	83 units	22.8	274.8 per apartment	60
Western Australia					
Department of Housing	CAP—Units	278 units	65.4	235.3 per unit	52
	CAP—other properties	178 properties plus 250 hostel beds	86.6	202.4 per ‘unit of accom.’	44
NSW, Vic and WA					
All CAP properties & hostel beds		6279	1959.2	312.0 per ‘unit of accom.’	68
Leasehold properties		236			23
All properties, including leasehold		6515			66

6.2.5 Other costs to government

In addition to providing specialist homelessness services the federal and state governments provide a range of financial assistance packages to persons to transition from crisis and emergency accommodation into public and private rental, and to those facing housing stress or at risk of homelessness due to financial problems. It is not possible to determine the extent to which these assistance packages are used by persons who have experienced a period of homelessness and are receiving the assistance in conjunction with being housed, or who would become homelessness if the assistance was not provided.

For example, Western Australia provides a Hardship Utilities Grant Scheme (HUGS) and financial counselling for persons who cannot meet utility bills and are likely to be cut-off from services, and/or are at risk of homelessness due to financial distress. The financial counselling services program is also open to people who have accommodation and are not necessarily at risk of homelessness. A portion of the budget for these programs is included in WA's commitment to NPAH funding, but the scheme does not exclusively target clients of NPAH or NAHA programs. It is not possible therefore to identify the level of actual expenditure used for persons at risk of homelessness (Office of the Auditor General WA 2012). In 2009–13, $16 380 000 was budgeted for NPAH related HUGS and financial counselling services over the term of the NPAH.

A key federal financial services and tenancy support program operated by FaHCSIA is the Household Organisational Management Expenses Advice Program (HOME Advice), which provides assistance to families who face difficulties in maintaining their tenancy or home ownership due to personal or financial circumstances. The program was allocated $1.4 million in 2011–12 (FaHCSIA 2012a). A number of other programs are listed below.

NSW

In 2010–11 the allocation to private rental assistance products and other homelessness support services included:

- Private rental brokerage service and Tenancy Guarantees ($2.1 million).
- Rent Start—provides financial assistance through rental bond, and in some cases upfront rent and temporary accommodation ($34 million). The total number of Rent Start assistances in 2010–11 was reported as 84 107 (NSW Government 2011). Given the funding allocated for 2010–11, this represents an average cost of approximately $400 per Rent Start assistance.
- Start Safely Program—a private rental subsidy scheme aimed at helping women with children escaping domestic/family violence ($6.6 million) (NSW Government 2010b; NSW Government 2011).
- Temporary/emergency accommodation assistance—Housing NSW operates a program to purchase up to 28 nights motel or caravan park accommodation for people who are homeless or experiencing a housing crisis. In 2009–10 the cost of this program was 17.01 million (provided by Housing NSW from the Annual Report Data Supplement). The number of people assisted was 7070 (NSW Government 2010a). This represents an average cost of approximately $2400 per period of temporary assistance provided.

Victoria

- Housing Establishment Fund (HEF)—a grant program to assist clients of homelessness support agencies to access or maintain private rental housing, or to access emergency short-term accommodation In 2009–10, 36 000 clients were assisted through the HEF with an average assistance per household of $242 (DHS 2011).
- Bond loan scheme—9982 people were provided with assistance through a bond loan in 2009–10, with an average assistance per household of $877 (DHS 2011).

→ Rental rebate scheme for low income tenants (DHS 2011).

Western Australia

→ Bond assistance loan scheme—to assist access to the private rental market. In 2010–11, 11 495 loans were made to the value of $12.8 million (WA Government 2011), implying an average loan amount of $1114.

This list is not exhaustive, but it does provide some concept of the vast range of additional resources provided by the states in addition to that specifically provided through specialist homelessness services to help people access and maintain housing. It is not possible to estimate the cost of services accessed by persons at risk of homelessness. However, it does provide an indication that the cost to government of assisting persons at risk of homelessness is greater than the value of funding provided directly to specialist homelessness services, or able to be identified as being used to support persons at risk of homelessness. Just considering the services detailed here, if a person accesses one of these programs in conjunction with a period of support from a specialist homelessness service, this could increase the cost of the period of support, on average, by between $242 (HEF grant, Vic) and $2400 (temporary accommodation assistance, NSW).

In addition to these costs is the cost of maintaining and managing properties available for client accommodation. NSW reports that recurrent expense in the 2009–10 year for CAP properties was $7 006 216[17]. It includes the cost of repairs and maintenance, administrative costs to the Community Housing Division within Housing NSW and to the Housing Contact Centre, and upgrade works (unpublished data provided by Housing NSW, Oct 2011). This represents a cost of $4558/year per property, or $159 per client.[18] If it is assumed that a similar cost is incurred in each of the other states, this should be recognised as an additional cost to government of providing supported accommodation.

6.2.6 Total cost to government—by program

Building upon the previous discussion, Table 36 presents the average total cost to government for supported accommodation and tenancy support intervention points, as estimated from available publicly available data and data provided by government. These are the intervention points for which adequate data were also available to estimate the value of cost offsets (see Chapters 4 and 5). These total costs were employed when estimating the whole of government cost of homelessness programs (see Chapter 7).

Program total cost is not presented for street-to-home programs. As discussed in Section 6.2.4, insufficient data were available on a statewide basis to determine the cost to government of capital employed in addition to mainstream housing to provide these programs. Additionally, no information was available on the costs incurred by government departments in administering these programs. The street-to-home client sample size was also not adequate to estimate the value of cost offsets for this cohort, so such an estimate was also not required for subsequent analysis.

For supported accommodation services, recurrent funding per client is the average funding allocated to agencies to deliver client services, as reported by AIHW. Administration costs are estimated based on the proportion of state and government expenditure on homelessness services represented by administration costs (see Table 32). The cost of capital employed per client for NSW, Vic and WA is calculated as the opportunity cost of capital employed in these states divided by the number of clients in these states. Information regarding total capital employed across Australia is not available. The cost per client is assumed to be equivalent to the average for NSW, Vic and WA. However, this figure should

[17] Housing NSW reports the total recurrent expense for CAP properties as $9 006 216. This amount includes the lease subsidy of $2 million which has been included in the estimated cost of capital employed (see Section 6.2.4).

[18] This represents the average cost across NSW clients in 2010–11 (AIHW 2011c).

be treated as indicative only. To provide a more representative figure further research would be required to obtain data on the value of properties employed across all jurisdictions.

When considering expenditure on supported accommodation services, including administration, cost of maintaining client accommodation and the cost of capital employed, total cost is estimated as $4890/client across NSW, Vic and WA, and $5361/client across Australia. Where a client accesses other government services to assist persons at risk of homelessness, such as financial counselling or a bond assistance scheme, the cost of support will be higher. However, current data collection does not allow identification of the proportion of homelessness assistance program clients who access these schemes or the average value of assistance provided to these clients.

Tenancy support services assist clients in current tenancies, so there is no capital employed in service delivery. The cost of support consists of recurrent government funding per client plus government administration costs, estimated at $2027/client. The relevant government departments were not able to identify the extent to which departmental administration costs related to tenancy support programs. However, it is clear that such costs exist and some departments are beginning to collect this data for NPAH programs for internal management purposes. This work had not been completed in time for this research. In the absence of specific data, administration cost for tenancy support programs is assumed at 2.9 per cent of funds allocated to agencies, equivalent to the Australian average for NAHA programs.

Table 36: Total government funding per client, by program (2010–11)

	Supported accommodation NSW, Vic, WA ($)	Supported accommodation Australia ($)	Tenancy support ($)
Recurrent government funding per client[1]	3,022	3,470	1,970
Cost of capital employed per client [2]	1,631	1,631	0
Total recurrent funding plus opportunity cost of capital	4,653	5,101	1,970
Administration costs[3]	78	101	57
Cost maintaining and managing properties[4]	159	159	0
Total cost/client including cost of capital	4,890	5,361	2,027

Source:

1. Recurrent funding allocated to agencies. See Tables 32 and 33.

2. Cost of capital employed (NSW, Vic, WA) is calculated as: ((Total value CAP type properties $1959.2 million * opportunity cost of capital 8%) + (annual lease payments NSW $2 million))/(number of clients 97 300) = $1631/client. See Table 35.

3. Estimated government administration costs. See Table 32. Administration costs for tenancy support is assumed at 2.9 per cent of funds allocated to agencies, equivalent to the Australian average for NAHA programs.

4. See discussion Section 6.2.5.

6.3 Bottom-up cost estimates: the Agency Survey

The Agency Survey collected primary data on the profile of the agencies and associated services participating in the study, as well as information relating to the number of clients assisted and the cost of assisting these clients for the 2010–11 financial year.

The Agency Survey was sent to all 17 agencies still participating in the Baseline Survey at the time the Agency Survey was conducted. Ten agencies and 16 associated services participated in the Agency Survey. The survey consisted of two parts. Part One related to the agency itself and addressed issues relating to the overall size of the agency, total funding for services participating in the study, the proportion of those funds maintained at the agency level to provide centralised functions (e.g. IT and Human Resources support), and the proportion of the agency's total budget that related to homelessness programs.

Part Two of the Agency Survey related directly to the services participating in the study. For each service operated by the agency, data were gathered on:

- The number of clients by cohort and support type, the associated number of support periods and the average length of a support period.
- Details of available accommodation (where provided), including the type and quantity of available accommodation and who owned or provided it.
- Details of recurrent funding and any capital funding from government during the 2010–11 financial year; and details of grants, donations and financial support provided to the service by the agency, in addition to government funding.
- A breakdown of the service's operating costs, plus any operating revenue such as rent received from clients.

6.3.1 Part 1: Agency profile

Part 1 of the Agency Survey provided an overview of the profile of the agencies and associated services participating in the study. Examination of Table 37 shows that the participating agencies represent a broad cross-section of sector participants, with considerable variation in their profile. Total agency annual revenue represents a gauge of size. Total annual revenue was $21.94 million, on average, but this varied from a comparatively small $0.74 million to a very large agency with total revenue reported as $90.0 million. For all but two agencies the organisational structure consisted of an overarching agency which managed a range of services, each designed to meet the needs of a particular client group. The proportion of total budget associated with providing homelessness services varied: on average 76 per cent was associated with provisions of homelessness services, but this varied from 0.5 to 100 per cent. On average 42 per cent of an agency's total budget related to services participating in the study, and 63.4 per cent of the agency's homelessness budget related to services participating in the study.

Almost all funding for participating services in the study was provided through government funding, with 99.1 per cent on average provided through government sources. Four agencies reported receiving a small amount of funding through grants and three reported a small amount of funding through other sources such as donations. The high proportion of total funds from government sources reflects the fact that only agencies with NAHA and NPAH funded services were approached to participate in the study. There are agencies that operate in the homelessness services space that do not receive government funding for their work. Obviously, in these cases, government funding provides no or little contribution to the overall cost of providing these services.

Agencies often provided a wide range of centralised functions to the individual services, for example IT and payroll. Some agencies retained a level of funding centrally to finance these functions. In other cases the agency allocated all funding to the individual service(s) and then levied an overhead charge in order to finance the functions. In order that a complete picture of service cost and cost structure could be obtained, agencies were asked about the proportion of funding received to deliver homelessness services that was retained at agency level to provide centralised functions rather than distributed. Part 2 of the Agency Survey completed by the individual services captured any overhead charges.

Of the four agencies that retained government funding to finance centralised functions, on average 11.5 per cent of funding was retained, varying between 7.5 and 15 per cent. One agency retained grant and donation funding received in the year to provide centralised functions but allocated all government funding to the individual services; this represented only 1.5 per cent of their total funding for participating homelessness services. Conversations with one of the agencies providing street-to-home services suggested that where the program involved support from government departments, some program-related administration and overhead expenditure was absorbed by those government departments and not individually costed to the street-to-home program. This effectively represented additional 'in-kind' funding that was retained at a central level. It was not possible to estimate the extent or value of these 'in-kind' services. Consequently, 11.5 per cent represents a conservative estimate of funding retained to provide centralised services.

Table 37: Profile of agencies participating in the study (2010–11)

	Average	Min	Max
Agency total annual revenue ($m)	21.94	0.74	90.0
Proportion of budget relating to homelessness services (%)	76.0	0.5	100.0
Proportion of total budget relating to services in the study (%)	42.0	0.5	100.0
Proportion of homelessness services budget relating to services in the study (%)	63.4	8.6	100.0
Proportion of participating service's funding from government sources (%)	99.1	97.2	100
Proportion of government funding and other income retained to provide centralised functions (%) (n=4)	11.5	7.5	15.0

6.3.2 Part 2: Service income and expenditure

Part 2 of the Agency Survey collected data relating to the individual services delivering specialist homelessness services. It provides details of the level of funding from government and other sources, client numbers, average support periods, cost structure and revenue from sources such as rent charged to clients and vending machines. This provides further insight into both the government and the total recurrent cost of providing supported accommodation services and the structure of costs incurred in service delivery. It also allows a bottom-up approach to estimating the unit cost per client for each target group. It should be noted that figures presented here potentially exhibit a bias, as the sample consists of those agencies which agreed to have their clients participate in the Baseline Client Survey and the agency also subsequently responded to the Agency Survey. The following discussion relates to recurrent expenditure and income. The opportunity cost of capital employed is discussed at Section 6.3.4.

The majority of government funding is provided through program specific funds, such as NAHA funding for supported accommodation services and NPAH funding for tenancy support and street-to-home services. In WA funding for tenancy support programs is also provided through SHAP, operated by the WA Department of Housing, and raised through grants from government and other sources (e.g. Lotteries Commission grants) and via donations. These grants and donations are included under 'agency/grants/donations'. Other sources of income for services include rent received from clients, fee for service income and vending machines. Where services use volunteer labour this also represents a source of 'in-kind' income. Services are asked about the number of volunteer hours worked and the

associated value to the service is imputed based on the minimum wage. This amount is included as a source of 'Other income'. It is also added to the cost of staff when examining the cost structure of the service.

The income and expense structure of services participating in the Agency Survey is detailed in Table 38. The main categories of income and expenditure are identified along with the proportion of total income/expense. These estimates do not include the opportunity cost of capital employed.

Government program funding represents the major income source for services delivering all homelessness programs examined, representing 77.8 per cent of funding across supported accommodation services and the sole source of funding for tenancy support and street-to-home services. Supported accommodation programs report some additional funding from grants and donations: two men's services and two women's services reported receiving grants; three men's and three women's services reported receiving funding from donations. Three agencies operating services for single men and one operating services for single women cross subsidised the operating costs of the service by contributing funds raised in other areas. In most instances the amount of agency funds provided to the service was quite small, but in the case of one single men's service the additional funding represented 10 per cent of the total income for the service. In total, the extent of additional funding from grants, donations and agency funds was greater for the single men's services (9.9% of income) than for single women (2.4% of income).

Other sources of income for supported accommodation services came from sources such as client rent. Two-thirds of services providing supported accommodation charged their clients rent. Services operating refuges generally advised that rent was charged on an 'ability to pay' basis. The additional income raised from rent represented a far larger proportion of available funds for single men's services (16.0% of income) than for single women (2.9% of income). Sources of 'Other Income' include a small amount raised from vending machine sales plus the value of volunteer hours and fee for service income. One single women's service reported a small number of volunteer hours. Three single men's services reported volunteer hours, with two able to specify the number of hours which, in total, were equivalent to having 6.5 full-time additional workers available. The market value of this 'in-kind income' was calculated by applying the Australian minimum wage rate (2010–11) of $15/hour (www.fairwork.gov.au). One crisis accommodation service also reported income from 'fee for service' activities, representing 5.8 per cent of available funds for that service. This service did not report any income from rent.

Examination of expenditure shows that the greatest proportion of expenditure for all programs was driven by expenditure directly related to client support, representing: 78.4 per cent of expenditure by the supported accommodation services; 75.2 per cent of tenancy support expenditure; and 94.7 per cent of expenditure reported by the street-to-home services. It should be noted that the NSW street-to-home program was given considerable support by the NSW departments of Health and Housing. Conversations with the relevant government department suggested that some program related administration and overhead expenditure was absorbed into the government departmental budgets and not individually costed to the street-to-home program. This created a downward bias on the proportion of expenditure reported as relating to overheads for street-to-home services and an upward bias to the proportion of other expenditure items.

The major client related expenditure component was staff costs, ranging from between 55.2 per cent of costs incurred by single men's services and 84.1 per cent for street-to-home services. These include wages and on-costs plus items such as staff training and development and the imputed market value of volunteer labour. Only one single men's service separately identified staff costs relating specifically to property management. This represented 4 per cent of the total staff cost for the service and is included under 'Staff' in

Table 38. Vehicle costs varied across the programs. While tenancy support programs involve visiting clients in their homes, the majority of supported accommodation programs operate in a hostel or cluster housing environment. Reported vehicle costs reflect these differing models, with vehicle costs representing 5.1 per cent of total expenditure for tenancy support services, compared with 1.0 per cent for supported accommodation. Program support and brokerage costs varied across programs and were greatest for single men's and street-to-home services, representing 8.0 per cent and 7.6 per cent of total expenditure, respectively. The nature of these costs varied greatly across the services and included items such as brokerage, meals, consultant fees and medical expenses. Property related expenses can be identified readily as relating directly to properties used to provide client accommodation and include, for example, maintenance, rates and taxes, security, insurance and depreciation of fixtures and fittings. However, services reported that it was not possible to separately identify all property expenses, as some items related both to the office and accommodation for clients (e.g. property insurance). In general, reported property expenditure represented a comparatively small proportion of overall expenditure, except for single men. Of the single men's services, two reported a high level of expenditure on maintenance, replacement of furniture and equipment, with property related expenses representing approximately 20 per cent of the program expenditure for the year. In contrast, the other three single men's services did not report any property related expenses. In general, tenancy support services did not incur property related expenses. However, one service reported that the current model involved some properties being head leased from the relevant housing authority, and property insurance for these properties being provided as part of the service's overall insurance policy. In total, administration and overhead expenses accounted for 21.6 per cent of all expenditure for supported accommodation services; 24.9 per cent for tenancy support; but only 7.7 per cent for street-to-home services. As noted previously, this represents a conservative estimate because of the absorption of some overhead costs for street-to-home services in NSW into government departmental budgets.

The income and expenditure structure for supported accommodation and tenancy support services is largely similar to that reported in the WA study (Flatau et al. 2008). Both studies show that 100 per cent of funding from tenancy support services is derived from government funding. The WA study reported that a slightly lower 74.3 per cent of total funding for supported accommodation services was sourced from government program funding, compared with 77.8 per cent reported here. It additionally reported that for tenancy support and supported accommodation services between 62.8 and 67.4 per cent of expenditure related to staff, which is similar to the proportions reported here (61.7% and 65.1%, respectively). In relation to administration and overhead related costs, the WA study reported a slightly higher 27.5 per cent of expenditure for supported accommodation programs relating to administration overhead related costs, and a slightly lower 21 per cent of expenditure for tenancy support programs relating to administration and overhead related costs.

Table 38: Income and expense structure by program and target group

Income/Expense item	Per cent of total income/expense				
	Single men	**Single women**	**Total supported accommodation**	**Tenancy support**	**Street-to-home**
Funding and Income					
Government program funding	70.9	93.5	77.8	100.0	100.0
Agency/grants/donations	9.9	2.4	7.6	0.0	0.0
Total funding	80.8	96.0	85.4	100.0	100.0
Rent	16.0	2.9	12.0	0.0	0.0
Other income	3.2	1.2	2.6	0.0	0.0
Total other income sources	19.2	4.0	14.6	0.0	0.0
Total income	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*
Expenditure					
Staff	55.2	76.4	61.7	65.1	84.1
Vehicles	0.9	1.2	1.0	5.1	0.4
Program support & brokerage	8.0	2.3	6.3	3.6	7.6
Property expenses	12.8	1.8	9.4	1.4	0.3
Total client related expenses	76.9	81.7	78.4	75.2	92.4
Office rent, utilities, insurance etc.	7.2	6.3	6.9	8.2	2.3
General admin. and other office	3.4	2.0	3.0	8.1	0.8
Central office overheads	12.4	10.0	11.7	8.6	4.6
Total admin. and overhead	23.0	18.3	21.6	24.9	7.7
Total expenditure	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

6.3.3 Recurrent cost per client and cost per client day

The average cost per client provides important information for assessing the cost efficiency of services and the cost-effectiveness of providing these services. Participating services provided information on the service's recurrent costs, client numbers and the average length of support. This information has been used to estimate the recurrent cost per client and recurrent cost per client day for participating services, as reported in Table 39. The length of the average period of support varied between intervention points and across services providing the same services at the same intervention point. All else equal, the cost per client generally will be directly related to the length of the average period of support. The cost per client day adjusts for differences in the length of the average support period. The nature of support provided and the intensity of support will be different for each of the program intervention points. This difference means that neither cost per client, nor cost per client day should be compared across programs that offer different types of support.

Table 39 reports the: recurrent cost per client; average number of clients provided with a period of support for each intervention point; average length of support; proportion receiving supported accommodation and the number of instances of one-off assistance; and recurrent cost per day of support. Services from all intervention points report instances of one-off assistance, such as requests for information and referrals. However, it is not possible to

identify costs associated with these events, and cost per client is based on the number of clients excluding instances of one-off assistance.

The cost of support is also expected to be related to whether supported accommodation is provided to the client. Tenancy support programs provide support for clients who already have their own tenancy, so no supported accommodation is provided. Supported accommodation and street-to-home services provide a range of services, including supported accommodation, and not all clients require or are provided with supported accommodation. Where a service has some clients who receive supported accommodation and others who do not, it is not possible to separately identify costs for each client cohort. In the case of participating single men's services, four (80%) participating services reported that all clients received supported accommodation. Only one service reported that a number of clients did not receive supported accommodation. These accounted for approximately 20 per cent of the total clients of that service and 8 per cent of clients of participating single men's services overall. In contrast, three (50%) of the participating single women's services reported that all clients received supported accommodation, and three (50%) reported that only 12 per cent of clients received supported accommodation on average and the remaining 88 per cent did not. The average cost per client was provided separately for: single women's services where all clients received supported accommodation; single women's services where only a small proportion received supported accommodation; and all single women's services. Street-to-home services provide both street and in-home outreach services. The participating services reported that on average 46 per cent of their clients were receiving in-home outreach.

Examination of the income structure of services, as discussed above, shows that government funding is the only source of income for tenancy support and street-to-home services, but not for supported accommodation services. Thus the cost per client and cost per client day reported in Table 39 does not represent the cost to government for supported accommodation services. For supported accommodation services, the average annual recurrent cost was $3147 per client for an average support period of 56 days; the average recurrent cost per client day was $56. Overall 76 per cent of the clients of participating supported accommodation services were provided with accommodation support. The cost varied greatly across services, reflecting the complexity of client needs, the level of intensity of support and the length of support. When considering single men, the average cost was $3856/client ($90/client day), but ranged from a low of $1620/client to a very high $33 230/client. The very high-cost service also had the highest cost per client day at $175/client day. It provided long-term intensive support for a very small number of clients with high complexity of needs. If this service is excluded, the average cost for the other four services is $3689/client and $87/client day. While this cost is slightly lower, the small number of clients receiving this intensive support means that the difference is not large. The significance of considering cost per client day in addition to cost per client is demonstrated by examining the service with the lowest cost of $1620/client. This service also provided intensive support but for support periods that were on average only 12 days. Consequently, although the cost per client was low, the cost per client day was comparatively high ($135/client day). In comparison the participating single women's services reported a lower cost and longer support period than for single men. Overall the cost per client was $2230 ($31/client day). The average length of support was 73 days and 55 per cent of clients were provided with supported accommodation. Recurrent costs were higher where all clients were provided with supported accommodation ($2870/client and $54/client day), compared with services where only a small number of clients (12% on average) were provided with such accommodation. On average the cost for these latter services was $1626/client and $18/client day.

Table 39: Recurrent cost per client and per client day, and type of program support: Agency Survey (2010–11)

	Supported accommodation						
	All single men	Single women			Total	Tenancy support	Street-to-home
		Supported accommodation	Supported accommodation/ outreach	All single women			
N	5	3	3	6	11	4	2
Cost/client ($)							
Average	3,856	2,870	1,626	2,230	3,147	2,600	7,636
Min	1,620	1,620	1,196			2,520	4,081
Max	33,230	5,970	3,645			4,420	8,240
Cost/client day ($)							
Average	90	54	18	31	56	20	92
Min	52	14	10			13	11
Max	175	135	28			103	235
Length of support Days (average)	43	53	91	73	56	132	83
Provided with accommodation support (%)	92	100	12	55	76	0	46
Instances of one-off assistance (average)	130	217	371	294	219	20	134

The cost of tenancy support services also varied, especially in relation to the cost per client day. The average recurrent cost was $2600/client ($20/client day). Three of the services offered longer-term tenancy support to a large number of clients and reported costs close to this average. The fourth service offered shorter-term (average 42 day support period) high intensity support for a small number of clients, resulting in a comparatively high cost of $4420/client ($103/client day). If this service is excluded the average cost for the other three services is $2543/client ($19/client day) with an average 135 days support.

Two street-to-home programs provided client and cost details. One provided longer-term outreach support only; the other provided both outreach and supported accommodation but for a comparatively short 35 days on average. The average cost across the two services was $7636/client ($92/client day). On average 46 per cent of all clients were provided with accommodation as part of their support. Due to the two different models the cost for each service was very different, with the longer-term outreach service reporting a cost of $4081/client ($11/client day). In contrast, the program offering shorter-term support reported a cost of $8240/client ($235/client day).

6.3.4 Total cost to government of support

Information from the Agency Survey was used to estimate the cost to government of funding the participating services, including the opportunity cost of capital employed in the provision of client accommodation. The approach taken for the analysis is described below.

- First the total cost of support provided by the services that participated in the Agency Survey was estimated (Table 40). This was calculated as the recurrent cost as reported in Table 39 plus the cost of capital employed in providing client accommodation. The opportunity cost of capital, based on the value of CAP properties, was estimated at $66 per client night (reported in Section 6.2.4).
- Second, the total cost to government at the service level (Table 40) was estimated by adjusting the recurrent and capital costs incurred by services for the proportion sourced from government funding. The recurrent cost per client and per client day also represents the recurrent cost to government where 100 per cent of available funds are sourced from government program funding, as is the case for tenancy support and street-to-home programs. However, in the case of supported accommodation programs available funds are received from other sources in addition to program funding,[19] and thus the cost to government is less than the total recurrent cost of operating the service. Similarly, although the majority of properties used to provide client accommodation were CAP funded or supplied through mainstream public housing stock, some were owned by the agencies or otherwise funded from non-government sources. The Agency Survey provides details of the amount and value of non-government funded client accommodation used by participating services.
- Third the cost to government of participating services delivering supported accommodation and tenancy support programs was grossed up to include an estimate of administration costs incurred by government in operating homelessness services and costs incurred in maintaining and administering client accommodation (Table 41). This creates a comparison point for the total government funding per client reported in Table 36.

The average government cost/client estimated for participating supported accommodation services was lower than that estimated from government data. This difference potentially relates to the mix of services provided and clients supported by participating services, compared with the average for the states. It also potentially relates, at least in part, to the nature of the agencies participating in the Agency Survey, and the proportion of the cost of

[19] See Section 6.3 for further details.

support met by these agencies through other (non-government) funding sources. The total recurrent cost per client estimated from Agency Survey data was $3147/client (Table 40). This is similar to the average recurrent cost to government of a period of supported accommodation as estimated from government data of $3022/client (Table 36; NSW, Vic and WA). However, once considering the proportion of funding raised by participating agencies from non-government sources, this implies a lower cost to government for supported accommodation services delivered by the participating agencies of $2448/client: 19.0 per cent less than that estimated using government data.

A difference is also observed once cost/client is grossed up to include opportunity cost of capital. When considering the total cost of providing support, the cost of supported accommodation services provided by participating agencies is estimated at $5957 (Table 40), greater than the $4653 estimated from government data (Table 36; NSW, Vic and WA). However, once the proportion of funding provided by the agencies is considered, the cost to government of support accommodation provided by participating agencies is lower, at $4077/client. As well as agencies supplementing government recurrent funding, some also own the accommodation, or the accommodation is jointly funded by the agency and the government. Of the participating agencies that provided single men's services, for example, most reported that the accommodation they provided was either owned by the agency or was jointly owned by the agency and the government. Therefore, over half of the opportunity cost of capital estimated for participating single men's services was borne by the agencies themselves. This resulted in the total cost to government for the single men's services participating in the study being less than that in circumstances where all or most of the accommodation provided is through CAP or similar programs. Information was not available to the study on a state- or Australia-wide basis to determine the extent of capital funding for accommodation provided by NGOs.

Table 40: Total cost to government of participating services: recurrent funding plus opportunity cost of capital (2010–11)

	Supported accommodation						
	All single men	Single women			Total	Tenancy support	Street-to-home
		Supported accommodation	Supported accommodation/ outreach	All single women			
Number of services	5	3	3	6	11	4	2
Cost per client day ($)							
Recurrent cost	90	54	18	31	56	20	92
Opportunity cost of capital	61	66	8	36	50	0	30
Total cost/client day	151	120	26	67	106	20	122
Proportion government funded (%)							
Recurrent cost	70.9	92.4	95.3	93.5	77.8	100.0	100.0
Capital cost	44.0	100.0	67.0	89.0	58.0	0	75.0
Government program cost/client day ($)							
Recurrent cost	64	50	17	29	44	20	92
Opportunity cost of capital	27	66	5	32	29	0	23
Total government cost/client day	91	116	22	61	73	20	115
Cost/client ($)							
Recurrent cost	3,856	2,870	1,626	2,230	3,147	2,600	7,636
Opportunity cost of capital	2,611	3,498	721	2,650	2,810	0	2,520
Total cost/client	6,467	6,368	2,347	4,880	5,957	2,600	10,156
Government cost/client ($)							
Recurrent cost	2,734	2,652	1,550	2,085	2,448	2,600	7,636
Opportunity cost of capital	1,148	3,498	483	2,358	1,629	0	1,890
Total government cost/client	3,882	6,150	2,032	4,443	4,077	2,600	9,526

The recurrent cost of participating tenancy support services of $2600/client, including administration costs, was 22.0 per cent higher than that estimated from government data ($2027/client). The estimated recurrent funding for street-to-home services for participating agencies was $7636/client. This was 15.9 per cent higher than that estimated using government data ($6425/client). The higher cost reported by participating tenancy support and street-to-home programs, compared with the average reported by government, potentially relates to the service mix provided by participating services, compared with the average mix across the included states.

Table 41 presents the cost of homelessness services including government administration costs and the cost of maintaining properties. The imputed amounts for these types of costs are based on the same very limited data as used in the top-down analysis. The values presented here should be viewed as indicating these issues should be considered, as opposed to definitive amounts.

Table 41: Cost per client to government (participating services), grossed for opportunity cost of capital, administration and maintenance costs (2010–11)

	Single men	Single women	Total supported accommodation	Tenancy support
Recurrent cost ($)	2,734	2,085	2,448	2,600
Opportunity cost of capital ($)	1,148	2,358	1,629	0
Total recurrent cost plus opportunity cost of capital ($)	3,882	4,443	4,077	2,600
Administration costs ($)	71	54	64	75
Cost of maintaining and managing properties ($)	66	215	150	0
Total government cost/client ($)	4,019	4,712	4,291	2,675

6.4 Conclusion

In summary, the cost of providing specialist homelessness services as reported by the AIHW and RoGS represents only part of the total cost of providing these services. Rather, this study identified that it is necessary also to consider administration costs incurred by government agencies and the opportunity cost of capital employed in providing supported accommodation. The nature of the services provided, complexity of client needs and the manner in which client numbers were reported in this study were inconsistent across jurisdictions and programs. Therefore, any estimate of the cost of providing assistance should be treated as indicative only. Similarly, it is also not appropriate to compare the cost per client across jurisdictions or program types. More robust and transparent publicly available data are required in order to provide a more accurate estimate of the cost of providing homelessness supports on a system-wide basis.

Agencies delivering supported accommodation services often raise additional funding from sources such as rent charged to clients and donations. In some cases agencies own, or at least partially own, the client accommodation facilities. This additional sector funding and capital expenditure should be considered when determining the total cost of providing support, as distinct from the cost to government.

7 NET COST OF HOMELESSNESS ASSISTANCE PROGRAMS

7.1 Introduction

The objective of government support to prevent homelessness is to assist vulnerable persons to achieved improved housing and non-housing outcomes. Evidence regarding respondent changes in outcomes suggests a range of positive achievements including: more stable accommodation circumstances; general improved access to health services, in particular nurse allied health and mental health services; and improved access to a stable income source, with a small improvement in employment outcomes. The Australian Government's White Paper on Homelessness (FaHCSIA 2008) emphasised the importance of service integration in assisting persons to achieve these holistic improvements in outcomes. However, services are still largely funded individually, and it is difficult to obtain a measure of the whole of government cost of providing support.

This chapter brings together the cost to government of providing homelessness assistance programs and the cost offsets associated with changes in non-homelessness service use by clients who receive a period of homelessness support. The total of these represents an estimate of the whole of government or net cost of providing homelessness support. The net cost to government of providing homelessness programs is defined as the homelessness program cost plus or minus the change in cost of non-homelessness services examined. Where a change in non-homelessness costs is found, this represents a cost offset to the government cost of the homelessness program.

To determine the net cost to government of homelessness programs, we first examined the whole of government cost of homelessness services net of the annual 'population offsets estimated in the AHURI Baseline Report for the three main cohorts: single men; single women; and tenancy support clients. The follow-up sample size for street-to-home and day centre clients was not large enough to analyse the change in cost to government for non-homelessness services used by these two client groups. The annual population offsets provide an indication of potential savings from reduced use of non-homelessness services if the use of these services by persons at risk of homelessness could be reduced to Australian population levels. As discussed elsewhere in this report, due to the range of issues faced by persons at risk of homelessness, such as physical and mental health issues and low educational attainment, it is unlikely that the offsets would be realisable in full. However, if only a small proportion was realised on an ongoing basis homelessness programs could potentially be cost neutral. We therefore report the proportion of offsets that would need to be realised to make the provision of homelessness services cost neutral.

Second, we estimated the whole of government cost of homelessness services with reference to the cost offsets estimated elsewhere in this report, calculated as the difference in cost of non-homelessness services in the 12 months prior to and after the baseline homelessness support period. A sensitivity analysis is also presented.

Where the change in non-homelessness service utilisation continues in the longer term, the associated change in cost would be realised over a period longer than one year. This possibility is beyond the scope of the current study and is therefore not reflected in the analysis presented here. An examination of 'whole of life outcomes' in relation to the population offsets was presented in the AHURI Baseline Report. This provided an indication of the potential savings to government if the population offsets were realised and continued to be realised for periods ranging from two years to the whole of the client's remaining life course. A similar analysis in relation to the observed change in non-homelessness costs would not be instructive here. Further information is required regarding the longer-term changes; the extent to which any observed decrease in costs is maintained; and whether

observed increases in cost continue into the longer term or reduce as issues are dealt with and clients' needs met.

Program and client outcomes are aggregated across four states. This provides a broad view of the cost of providing support and associated outcomes but also creates limitations. As discussed previously, programs differ across jurisdictions and the manner in which each jurisdiction accounts for program costs and estimates client numbers is different. This impacts both the cost of providing support and also potentially affects client outcomes.

These whole of government cost estimates are calculated from cost and offset estimates reported previously, and must be interpreted in the context of all associated data limitations. While the direct recurrent cost to government of providing programs can be determined, the funding breakdown by different service models and primary target group within a program is difficult to obtain. Also, as discussed in Chapter 6, an accurate assessment of client numbers is difficult to ascertain. In addition to direct recurrent program costs, governments incur a range of indirect costs and capital expenditure for client accommodation. Where available information has been used to provide an estimate of the magnitude of these costs; however, these estimates should be viewed as indicative only for reasons described previously. A significant improvement in ongoing data collection protocols is required if these costs are to be estimated with increased accuracy in the future.

In relation to the cost to government of non-homelessness services, the estimated change in non-homelessness service use is based on self-reported survey data and is subject to sample bias. This sample bias stems from the agencies and associated services that agreed to participate in the study, and from the clients who participated in both the Baseline and the Follow-up surveys. It was also not possible to determine the extent to which the observed change in non-homelessness service utilisation resulted from the period of homelessness assistance. The calculation of program cost net of the change in non-homelessness costs implicitly assumes that the observed change in the cost of non-homelessness services examined relates to the period of homelessness support and changes in people's lives directly associated with that support. People have a range of factors impacting on their lives at any one time; for example, a change in relationship status or change in physical or mental health conditions. Any of these may affect a person's vulnerability to homelessness and their contact with both homelessness and non-homelessness services. The observed change in the cost of non-homelessness services may therefore overstate or understate the extent to which these costs have changed as a result of homelessness assistance. Again, further research is required to validate the findings.

7.2 Whole of government cost of homelessness programs—net of population offsets

Table 42 presents the whole of government cost of homelessness programs net of population offsets. It is estimated with reference to government funding for the four states where homelessness services participated in the study (see Table 36). The cost of operating programs and the associated net cost of programs reported are based on three levels of comprehensiveness and objectivity:

- Recurrent program funding—this represents the most objective estimate of program cost, but is a conservative estimate of total cost. Recurrent funding of supported accommodation programs by primary client group was not available.
- Opportunity cost of capital—this represents an estimated annualised cost of capital invested in client accommodation.
- Indirect program costs—these costs should be viewed as indicative only. They are based on very limited information. The estimated cost/client is small compared to direct program funding and the opportunity cost of capital. Conclusions regarding the relative magnitude

of the cost and net cost of providing support are not sensitive to inclusion or exclusion of these indirect costs. They are shown for completeness of information only.

The findings of the Baseline study (Zaretzky et al. 2013) suggest that the Baseline Survey sample was sufficiently representative of the proportion of the homeless population accessing homelessness support programs in the city and major regional areas of the participating states. Therefore, it is appropriate that the baseline estimate of the whole of government cost refers to the top-down estimate of homelessness program cost based on the states included in this study. Conclusions are not sensitive to instead referring to the cost to government of participating service providers.[20]

The value of annual population offsets are presented in this chapter for the total of health, justice and net welfare payments, and for the total value of offsets estimated in the AHURI Baseline Report. This total also includes the population offset for eviction from public housing, and for children placed in out-of-home care due to unstable accommodation circumstances. These latter two event types were not common within the baseline sample, and offset estimates are more prone to sample bias than the estimates for health, justice and net welfare payments.

As can be seen from Table 42, the annual population offsets for each cohort is large compared with the cost of providing homelessness support. In all scenarios, if the use of non-homelessness services could be reduced to levels observed for the Australian population, the period of homelessness support would more than pay for itself and create large savings for government. In fact only a portion of these potential annual savings needs to be realised in the year of support for the average value of realised offsets to equal the average cost of providing support and for the homelessness program to be cost neutral. Considering total estimated cost of providing the homelessness program and the value of offsets relating to health, justice and welfare payments, for single men's services only, around 11 per cent of total population offsets would need to be realised for the total cost of support to be cost neutral. For single women's services a higher 24 per cent of potential offsets would need to be realised, and for tenancy support around 16 per cent. The associated proportion of population offsets that needs to be realised to achieve cost neutrality is lower if only recurrent funding is considered: ranging from 6.9 per cent for single men's services to 16.0 per cent for tenancy support services. It is also lower once the population offsets for eviction and for children in out-of-home care are considered—for tenancy support clients it drops to around 11per cent. For tenancy support clients this large difference relates to the population offset for cost of children placed in care due to unstable accommodation circumstances, and the AHURI Baseline Report notes the high likelihood of sample dependence in this finding. A similar caution applies here.

As noted previously, the population offsets are unlikely to be realisable and in the short to medium term the observed change in non-homelessness service use shows that, in some cases, non-homelessness service use goes up rather than down. It is possible that in the longer term once immediate issues are dealt with, this use would go down and at least a portion of the population offsets would be realised. Further research is required to examine these longer-term outcomes.

[20] As estimated using the bottom-up approach and data from the Agency Survey.

Table 42: Homelessness programs: government cost/client (states) net of population offsets (2010–11)

	Supported accommodation	Tenancy support
Government program cost/client	($)	($)
Recurrent program funding	3,022	1,970
Recurrent funding plus opportunity cost of capital	4,653	1,970
Recurrent program funding, indirect recurrent cost* plus opportunity cost of capital	4,890	2,027
*Change in cost of non-homelessness services; cost offset/client***		

	Supported accommodation		
	Single men	**Single women**	**Tenancy support**
	($)	($)	($)
Population offsets—health justice and net welfare payments	-43,990	-20,554	-12,293
Population offsets—all***	-44,147	-23,352	-18,201
Government program cost/client; population offsets—health, justice and net welfare payments			
Net direct recurrent program cost	-40,968	-17,532	-10,323
Net direct recurrent cost plus opportunity cost of capital	-39,337	-15,901	-10,323
Net direct and indirect recurrent cost* plus opportunity cost of capital	-39,100	-15,664	-10,266
*Government program cost/client; population offsets—all***			
Net direct recurrent program cost	-41,125	-20,330	-16,231
Net direct recurrent cost plus opportunity cos of capital	-39,494	-18,699	-16,231
Net direct and indirect recurrent cost* plus opportunity cost of capital	-39,257	-18,462	-16,174
Proportion of offsets required for homelessness services to be cost neutral			
Government program cost/client; population offsets—health, justice and net welfare payments	(%)	(%)	(%)
Net direct recurrent program cost	6.9	14.7	16.0
Net direct recurrent cost plus opportunity cost of capital	10.6	22.6	16.0
Net direct and indirect recurrent cost* plus opportunity cost of capital	11.1	23.8	16.5
*Government program cost/client; population offsets—all***			
Net direct recurrent program cost	6.9	12.9	10.8
Net direct recurrent cost plus opportunity cost of capital	10.5	19.9	10.8
Net direct and indirect recurrent cost* plus opportunity cost of capital	11.1	20.9	11.1

* Indirect costs include government administration costs, and costs of property maintenance and management.

** Source: 'population' offsets, AHURI Baseline Report (Zaretzky et al. 2013).

*** 'Population offsets—all' includes health, justice and net welfare payments, plus the population offsets for eviction from a public tenancy and for children placed in out-of-home care due to unstable accommodation circumstances.

7.3 Whole of government cost of homelessness programs—net of change in non-homelessness service use

The whole of government cost of homelessness programs net of the change in the cost of non-homelessness services estimated from the observed change in service use provides an estimate of the net cost of homelessness assistance in the short to medium term. It reflects the case both where non-homelessness costs decreased and provided an offset to homelessness program cost, and the case where these costs increased and the integrated cost of homelessness support was greater than the cost of the homelessness program.

The estimated cost per client net of the observed change in non-homelessness service cost is potentially sensitive to both the estimated cost of homelessness support and the estimated value of the change in non-homelessness service use. The net cost to government is examined in relation to both the average cost of programs delivered across the states participating in the study, and for the average cost of programs delivered by agencies and associated services that participated in the study. For each, the net cost was initially examined with reference to mean cost offsets. Sensitivity analysis was then used to examine net program cost where offsets were estimated using each of the 5 per cent trimmed mean and median change in total health and justice costs, and where the eviction offset was included.

7.3.1 Net cost of homelessness programs—average cost for states with participating programs

The net cost of homelessness programs operating in the four states involved in the study is examined in Table 43 with reference to:

1. Publicly available and state government information supplied on the cost of providing the programs of interest. The cost of operating programs and the associated net cost of programs reported are based on three levels of comprehensiveness and objectivity as discussed above (Section 7.2).
2. The mean change in the cost of non-homelessness services.

Table 43 shows that a decrease in the mean cost of non-homelessness services existed for single women respondents, providing a cost offset of $8920/client. This more than offset the cost of homelessness support and potentially provides a net saving to government of around $4267/client assisted, when program funding and opportunity cost of capital are considered, or $4030/client when estimated indirect recurrent costs are also considered. If only recurrent homelessness program funding is considered, potential cost offsets for this cohort are approximately three times that of recurrent funding. The associated potential net savings to government from providing homelessness support to this cohort was estimated at $5898/client/year.

For single men the mean cost offsets relating to reduced utilisation of non-homelessness services partially offset the cost of providing support. When considering program funding and opportunity cost of capital, program costs were offset by around 30 per cent to give a net direct recurrent cost plus opportunity cost of capital of $3264/client, or $3501/client when indirect costs are also considered. If only the recurrent program funding is considered the offset represents around 50 per cent of program recurrent cost, resulting in a net direct recurrent program cost of $1633/client/year.

Only tenancy support demonstrated an increase in the mean cost of non-homelessness services, and the net cost of providing homelessness support was higher than the program cost. Once considering the increased cost of non-homelessness services, the net direct recurrent cost plus opportunity cost of capital was $3904/client, or $3961/client when indirect costs were also considered. As these clients were already in a tenancy there was no opportunity cost of capital associated with client accommodation for this cohort. It should,

however, be noted that tenancy support clients reported that, on average, approximately 30 per cent ($3534/client) of health-related costs in the follow-up period were associated with a homelessness support plan (compared with none in the baseline period).

Table 43: Homelessness programs: government cost/client (states) net of change in cost of non-homelessness services (2010–11)

	Supported accommodation	Tenancy support
Government program cost/client		
Recurrent program funding	3,022	1,970
Recurrent funding plus opportunity cost of capital	4,653	1,970
Recurrent program funding, indirect recurrent cost* plus opportunity cost of capital	4,890	2,027
Change in cost of non-homelessness services—Cost offset/client		

	Supported accommodation		
	Single men	Single women	Tenancy support
Mean change; health justice and net welfare payments	-1,389	-8,920	1,934
Government program cost/client; net of mean change in cost of non-homelessness services			
Net direct recurrent program cost	1,633	-5,898	3,904
Net direct recurrent cost plus opportunity cost of capital	3,264	-4,267	3,904
Net direct and indirect recurrent cost* plus opportunity cost of capital	3,501	-4,030	3,961

*Indirect costs include government administration costs and costs of property maintenance and management.

Recurrent funding per client for supported accommodation varies by state. Average cost per client reported at Table 43 is for the three states where services participated in the study. The average cost/client for supported accommodation services across Australia was $3470/client, approximately $350/client greater than for the three states examined. Administration costs were also slightly higher, by $23/client. Conclusions are not overly sensitive to assuming this higher level of recurrent funding per client. However, information on the opportunity cost of capital in the states where no service participated in the study was not collected. Therefore it was not possible to determine the extent to which the cost of capital reported here is representative of costs in those states. Nor was it possible to determine the extent to which the change in the cost of non-homelessness services is representative of the experience in the non-included states.

7.3.2 Net cost of homelessness programs—average cost for participating agencies and services

The government cost of providing homelessness services was also estimated for service providers from whose client base the Client Survey respondent sample was drawn. The cost to government and the net government cost of homelessness programs operated by this sample of participating services is reported in Table 44.

It should be remembered that for participating supported accommodation services, the cost to government does not represent the total cost of support provision. Across all participating supported accommodation services only 77.8 per cent of all income was sourced from government funding. The remainder was sourced from grants, donations, client rent and other sources. Similarly, some services reported that client accommodation was either

owned and funded by the agency, or was funded on a joint venture basis with government. Therefore, the government opportunity cost of capital reflected here does not represent the total opportunity cost of capital incurred in providing support. This finding is consistent with Flatau et al. (2008). However, it is not possible to say how representative the finding is of all services operating across these states or to determine whether the services participating in the study utilised non-government income to provide more or higher quality services to clients, longer support periods or support to a larger number of clients. Again, this represents an area for future research.

Table 44: Homelessness programs: government cost/client (participating services) net of change in cost of non-homelessness services (2010–11)

	Supported accommodation		
	Single men	**Single women**	**Tenancy support**
Government program cost/client (participating services)			
Recurrent program funding	2,734	2,085	2,600
Recurrent funding plus opportunity cost of capital	3,882	4,443	2,600
Recurrent program funding, indirect recurrent cost* plus opportunity cost of capital	4,019	4,712	2,675
Change in cost of non-homelessness services—cost offset/client			
Mean offsets; health justice and net welfare payments	-1,389	-8,920	1,934
Government program cost (participating services)/client; net of mean cost offsets			
Net direct recurrent program cost	1,345	-6,186	4,534
Net direct recurrent cost plus opportunity cost of capital	2,493	-5,038	4,534
Net direct and indirect recurrent cost* plus opportunity cost of capital	2,630	-4,901	4,609

*Indirect costs include government administration costs, and costs of property maintenance and management.

Recurrent program funding per client for supported accommodation services was less than that observed on average across all services operating in the participating states. Similarly, the cost/client once the opportunity cost of capital and estimated administration costs were included was less than that reported on average for the states. Accordingly, the net cost to government of providing participating services was lower than that estimated based on average statewide costs. However, the general conclusions are not sensitive to whether the net cost/client is estimated based on average cost across participating states, or average cost across the sample of participating services. For single women, the net cost still represents a substantial saving per client ranging from between $4901 and $6186 per client depending upon which costs are incorporated. For single men, the cost offset creates a potential saving to government equivalent to between 35 and 50 per cent of the cost to government of homelessness support/client incurred by participating services, depending on which costs are incorporated. Thus, net costs of providing homelessness support for this cohort is positive, at least in the short to medium term, but less than the observed homelessness program cost. For tenancy support clients, the net cost is higher than the observed homelessness program cost. The net cost based on the cost to government of participating services is a little higher than if state-based costs are considered, at around $4500/client depending upon the level of costs included.

7.3.3 Sensitivity of net cost of homelessness services to cost offset outliers

The mean health and justice offsets were sensitive to large changes in utilisation of comparatively high-cost services reported by a comparatively small number of respondents. They also assume that the offset associated with a decrease in the rate of eviction from public tenancies is zero. Sensitivity of the net government cost of homelessness programs to these issues was examined in relation to the average government cost of providing homelessness programs across the states participating in the study. Conclusions were not sensitive to instead examining sensitivity of net government cost per client across participating services.

Table 45 reports cost offsets and the associated net program cost where cost offsets are defined as: (1) the mean offset as per the base case plus the offset relating to decreased probability of eviction from public housing (the eviction offset); (2) the 5 per cent trimmed mean change in the total respondent cost of both health and justice services, plus the mean change in net welfare payments; (3) as per (2), plus the eviction offset; (4) the median change in the total respondent cost of both health and justice services, plus the mean change in net welfare payments; and (5) as per (4), plus the eviction offset.

It should be noted that the government cost of homelessness programs represents the mean cost of providing support to a client. It is possible that a small number of clients with more complex needs drive the average cost of providing support. Insufficient information was available to determine sensitivity of the mean program cost to outliers. One potential scenario is that both the cost of providing support for clients with less complex needs and the change in cost of non-homelessness services for these individuals was less than for clients with more complex needs. If this is true, this measure of net government cost of providing support, calculated using the mean government cost of homelessness programs (where outliers are not controlled for) plus the change in the total cost of non-homelessness programs (where the effect of outliers is controlled), may provide misleading conclusions. Therefore, considerable care should be taken when interpreting and referring to these results. Further research is required to provide more informed analysis of the correlation between complexity of client needs, the cost of providing support and the change in cost to government of non-homelessness programs, and to determine whether the conclusions are valid once outliers are also controlled for in the cost of providing support.

When considering single men, the sensitivity analysis indicates that the base case conclusion that the cost of providing homelessness support was partly offset by a decrease in the cost of non-homelessness services may be sensitive to the manner in which the offset was calculated. When the offset is calculated as the mean offset, including eviction, a larger proportion of the government homelessness program cost is offset than in the base case: in fact, over 50 per cent of program costs are offset even when all program costs are included. However, when offsets are estimated using the 5 per cent trimmed mean of the change in total respondent health and justice costs, or the median change in total respondent health and justice costs, irrespective of whether the eviction offset is included no offset exists and the net cost of providing homelessness services, including the change in utilisation of non-homelessness services, is greater than the government cost of homelessness programs. This does not indicate that the positive offsets reported in the base case are not real. What this does indicate is that they are driven by a comparatively small number of clients and so should not be interpreted as ‘typical’.

For single women, a positive cost offset was observed under all scenarios. The base case conclusion that the government cost of providing homelessness support was more than offset by the decreased cost in the use of non-homelessness services does not appear to be sensitive to using the 5 per cent trimmed mean change in total respondent cost of health and justice services to calculate the value of offsets. Thus, it does not appear that the conclusion was driven by a small number of respondents who experienced a large change in their use

of health and/or justice services. However, the conclusion is sensitive to using the median change in total respondent cost of health and justice services to calculate the value of cost offsets. Under this scenario, a positive cost offset is still observed. However, it is only greater than the government cost of homelessness support when considering recurrent government funding only. Thus, it appears that considering recurrent funding only, for at least half of single women clients the average cost of providing support was more than offset from potential savings related to reduced utilisation of non-homelessness services. It is only once the opportunity cost of capital is incorporated into the cost of providing homelessness support that the offsets (median) only partially offset the average cost of providing homelessness support for single women.

Considering tenancy support clients, under all scenarios no cost offset was observed. Instead, under all scenarios the change in total cost of non-homelessness services represented an increase, and the total cost of providing homelessness support for this cohort was greater than the government cost of homelessness programs. The net government cost of homelessness programs, including the change in cost of non-homelessness programs, only varied slightly with the manner in which the change in total respondent cost of health and justice services was estimated, and the value of the eviction offset for this cohort was zero. Thus, it appears that base case conclusions for this cohort are not sensitive to the manner of estimating the value of the cost offset.

It should also be noted that the sub-sample of tenancy support clients who participated in the Follow-up Survey was small, at only 13 respondents. When examining the extent to which the sub-sample of tenancy support clients was representative of the complete baseline sample it was noted that tenancy support clients who participated in the Follow-up Survey were much more likely to have experienced previous periods of precarious living ($P = 0.018$). All Follow-up Survey respondents had experienced at least one period of precarious living and 38 per cent had spent ten years or more in precarious living circumstances. In comparison, 29 per cent of tenancy support respondents who did not also participate in the Follow-up Survey had never lived in precarious living circumstances and only 18 per cent had spent more than 10 years in these circumstances. This difference may also mean that the previously unmet needs of this sub-sample of tenancy support clients is different to those of the complete baseline sample, and so the non-homelessness costs associated with meeting those needs would be different. Therefore care should be taken when extrapolating these findings across all tenancy support programs.

7.4 Conclusion

The cost of providing support net of any cost offsets associated with a change in utilisation of non-homelessness services varies markedly by cohort. The value of ‘population’ offsets is large. It is unlikely that these offsets would be realisable. However, only a comparatively small proportion would need to be realised to result in homelessness programs being cost neutral.

When offsets are determined by comparing non-homelessness service use during and in the months after a baseline period of homelessness support with use prior to that period of support, the cost of non-homelessness services decreases in some, but not all, instances. In all cases, conclusions should be viewed in terms of the direction and relative magnitude of the change in cost of non-government services, as point estimates are subject both to sample bias and extensive data limitations.

Table 45: Sensitivity analysis, homelessness programs: government cost/client (states) net of change in cost of non-homelessness services (2010–11)

	Supported accommodation		Tenancy support
Government cost of homelessness programs/client			
Recurrent program funding	3,022		1,970
Recurrent funding plus opportunity cost of capital	4,653		1,970
Recurrent funding, indirect recurrent cost* plus opportunity cost of capital	4,890		2,027
Change in cost of non-homelessness services/client; cost offset scenarios	**Supported accommodation**		
	Single men	**Single women**	**Tenancy support**
Mean offsets including eviction	-2,059	-9,530	1,934
Offsets (5% trimmed mean); health justice and net welfare payments	1,576	-7,702	1,639
Offsets (5% trimmed mean), including eviction	906	-8,312	1,639
Offsets (median); health, justice and net welfare payment	1,089	-3,116	2,371
Offsets (median); including eviction	419	-3,726	2,371
Sensitivity analysis—government cost /client; net of cost offsets, by offset scenario			
Net of mean offsets including eviction			
Net recurrent program funding	963	-6,508	3,904
Net recurrent funding plus opportunity cost of capital	2,594	-4,877	3,904
Net recurrent funding, indirect recurrent cost* plus opportunity cost of capital	2,831	-4,640	3,961
Net of offsets (5% trimmed mean); health, justice and net welfare payments			
Net recurrent program funding	4,598	-4,680	3,609
Net recurrent funding plus opportunity cost of capital	6,229	-3,049	3,609
Net recurrent funding, indirect recurrent cost* plus opportunity cost of capital	6,466	-2,812	3,669
Net of offsets (5% trimmed mean); including eviction			
Net recurrent program funding	3,928	-5,290	3,609
Net recurrent funding plus opportunity cost of capital	5,559	-3,659	3,609
Net recurrent funding, indirect recurrent cost* plus opportunity cost of capital	5,796	-3,422	3,666
Net of offsets (median); health, justice and net welfare payments			
Net recurrent program funding	4,111	-94	4,341
Net recurrent funding plus opportunity cost of capital	5,742	1,537	4,341
Net recurrent funding, indirect recurrent cost* plus opportunity cost of capital	5,979	1,774	4,398
Net of offsets (median); including eviction			
Net recurrent program funding	3,441	-704	4,341
Net recurrent funding plus opportunity cost of capital	5,072	927	4,341
Net recurrent funding, indirect recurrent cost* plus opportunity cost of capital	5,309	1,164	4,398

The cost of recurrent government funding of supported accommodation services for single men was approximately 50 per cent offset by potential savings to government from reduced utilisation of non-homelessness services, particularly reduced contact with justice services. When the opportunity cost of capital for client accommodation is incorporated into the cost of providing homelessness support, approximately 30 per cent of the cost of providing homelessness support is offset. Thus the net cost to government of support accommodation for single men was considerably lower than suggested by program funding. However, this conclusion was driven by the change in non-homelessness service utilisation observed for a comparatively small number of respondents and is sensitive to these respondents being excluded from the sample when the value of offsets is determined.

When considering supported accommodation for single women, the cost of providing homelessness support was more than offset by the potential reduction in the government cost of non-homelessness service utilisation resulting in a net savings to government of between $6000 and $4000, depending upon whether cost is defined to include recurrent funding only, or whether it is defined to also include the opportunity cost of capital plus indirect costs. The conclusion of a net savings to government from providing homelessness support is not sensitive to outliers being excluded when calculating the value of cost offsets. Along with the positive change in outcomes observed for this cohort, this provides strong evidence that services to assist single women, including those escaping domestic/family violence, are cost effective and provide positive benefits both to the people seeking assistance and to the government in the form of net savings.

Tenancy support respondents reported an increase in the total cost of non-homelessness services in the period after support was provided. Therefore, for this cohort the net cost of providing homelessness support consists of homelessness program related costs plus the additional cost incurred in relation to non-homelessness services, with a net government cost of homelessness support of approximately $3900 per client. This increase in use of non-homelessness services does not mean that this program is not cost effective. Respondents reported a range of improved outcomes and less time in unstable accommodation circumstances in the period after, than prior to, support. They also reported that approximately 30 per cent ($3534/client) of health-related costs in the follow-up period was associated with a homelessness support plan. If the alternative to receiving tenancy support is that these clients experience generally poorer outcomes, in particular health outcomes, and more and/or longer periods of homelessness this would represent both a poorer outcome for the individuals and for society as a whole. There is also the possibility that if they experienced homelessness they would access supported accommodation services, where the average program cost across the states examined was estimated at around $4890/client. The potential for sample bias should also be noted, given the comparatively small sample size and the significantly higher incidence of previous periods of precarious living circumstances noted for the sub-sample of tenancy support clients who also participated in the Follow-up Survey, compared with the complete baseline sample for this cohort.

The cost offsets estimated in this report represent short- to medium-term outcomes. It is possible that any decrease in non-homelessness costs will not continue into the longer term once support is no longer received. It is also possible that any increase in non-homelessness costs observed in the shorter term will decrease in the longer term as outstanding issues are dealt with and/or respondents require less intensive support to deal with ongoing issues. Further longitudinal research is required over longer time periods to examine this issue.

8 SUMMARY AND FUTURE RESEARCH

The objective of specialist homelessness programs is to assist vulnerable persons to achieved improved housing and non-housing outcomes. Evidence regarding respondent changes in outcomes suggests that this is being achieved across a range of areas, including: more stable accommodation circumstances; general improved access to health services, in particular nurse, allied health and mental health services; improved access to a stable income source with a small improvement in employment outcomes; an improvement in respondents' quality of life in terms of relationships; and a general improvement in how respondents perceive their overall satisfaction with life.

Overall 81.0 per cent of respondents considered that the period of accommodation support received at the time of the Baseline Survey was very important, and a further 13.8 per cent considered it important. Differences in outcomes were observed between the client cohorts, but overall the evidence suggests positive benefits associated with homelessness support reaching beyond just the provision of accommodation.

The only area where all cohorts reported very little change was in relation to employment and financial circumstances. Most respondents still relied on welfare payments as their main income source in the follow-up period; a large proportion of respondents still reported accommodation related problems as a result of lack of money; and only 40 per cent of respondents reported feeling better about their financial situation at the point of the Follow-up Survey compared with the period prior to receiving support. The lack of improvement in the financial situation of these clients of homelessness services continues to leave them vulnerable to experiencing accommodation problems into the future.

The value of these changes in client outcomes is difficult to measure in dollar terms. Benefits accrue to the individual receiving assistance and to society as a whole from a more stable community environment. The outcome changes also potentially flow to provide benefits to government in the form of decreased demand for non-homelessness services and an associated savings in these non-homelessness areas.

Comparison of client use of non-homelessness services in the periods prior to and post the Baseline Survey shows that across all respondents the average cost of health and justice services and net welfare payments in the 12 months after the baseline period of homelessness support was less than in the 12 months prior that support. On average, the potential saving to government (cost offset) from the change in use of non-homelessness services is estimated at $3685/client/year.

Although a positive offset was observed on average, the extent to which potential offsets were realised in the short to medium term was dependent upon the non-homelessness service examined and service type. In some instances an increase in non-homelessness costs was observed. Clients of single men's services reported a positive offset of $1389 on average per client, driven by a large reduction in justice service contacts of $6447/client. An increase was observed also in the cost of health contacts ($4640/client), and a small increase was identified in net welfare payments. For single women, a large average offset was estimated at $8920/client. This was largely driven by a large decrease in health costs of $9295/client. Small increases were observed in average justice and net welfare payments. In contrast, the average government cost of non-homelessness services by tenancy support clients increased by $1934/client in the period after the Baseline Survey. A reduction in contact with justice services was observed with an associated saving to government of $1540/client. However, this was more than offset by an increase in health costs of $3448/client and a small increase in net welfare payments. It should be noted that tenancy support respondents also reported that, of their total health costs in the follow-up period, $3534/client was incurred as part of their homelessness support plan, compared with none in

the baseline period. Thus, the high cost of health services is, at least in part, associated with appropriate use of these services to meet the needs of this client group and, as such, should be considered to be an integrated part of the cost of providing homelessness support.

It should also be noted that a small increase in net welfare payments was observed for all cohorts in spite of a small improvement in employment outcomes for single men and single women and a higher average weekly wage earned when people were employed. This result was driven largely by fewer people reporting a period of no income in the follow-up period than at the baseline, and by those periods on average being shorter. Therefore, the slight increase in net welfare payments reflects more stable access to a main income source. This is a positive outcome. However, it also indicates that this outcome is achieved by improved access to government benefits rather than by a significant improvement in employment prospects.

While the mean cost of health and justice services is real, as is the change in mean cost, it is often driven by a small number of clients with high use of high-cost institutional based health and justice services, such as hospital visits, time in mental health facilities and time in prison. An extensive analysis of the distribution of use of health and justice contacts and associated costs provides valuable insight into the extent to which these average costs, and the change in these costs, were driven by a small number of clients, and the costs incurred by the 'typical' client. The distribution of costs was generally positively skewed, with a lower limit of zero and a large tail to the right. The 5 per cent trimmed mean of total health and justice service costs shows that when extreme outliers are excluded the average cost of service use is lower than the mean but still markedly higher than the Australian population on average.

The median cost was lower than both the mean and 5 per cent trimmed mean. In fact, the median change in health service cost across the three cohorts was an increase of $241/client. When considering the individual cohorts, the median change in health service cost was: a decrease of $3345/client for single women; an increase of $1122/client for single men; and an increase of $2189/client for tenancy support clients. For justice services overall, and for single women, the median change in justice costs was zero. For single men the median was a decrease in cost of $451/client and for tenancy support clients the median change was an increase of $156/client.

Examination of the shape of the distribution and how this changed from the baseline to the follow-up period provides further insight. It shows that prior to receiving the baseline period of support a large proportion of respondents incurred very low health service costs, with approximately 40 per cent of both single men and tenancy support clients, and 22 per cent of single women's services clients, reporting health costs less than $1000 per year. The large average costs are driven by a comparatively small number of respondents who reported high use of high-cost services. In the follow-up period, the proportion of respondents reporting very low health costs reduced markedly, with just 5 per cent of single men respondents, but no tenancy support respondents, reporting costs of less than $1000. Rather, 65 per cent of single men and 70 per cent of tenancy support clients reported health costs between $1000 and $10 000/year. Thus, for these two cohorts there appears to be a general increase in health costs for people who previously had comparatively little contact with these services. The situation was quite different for clients of single women's services, where there was an increase in the proportion of clients reporting low health costs, with nearly half reporting health costs of less than $2000 per year in the follow-up period, and no respondent reporting the extremely high costs observed in the baseline period.

Justice costs also show high costs being driven by a small number of respondents, with 40 per cent of respondents reporting no contact with justice services in the baseline period and similar findings in the follow-up period. In fact, for many justice services the median number of contacts was zero with only one or two respondents driving the mean result. The decrease in mean justice costs for single men and tenancy support clients was driven by a

decrease in the proportion of clients reporting high justice costs rather than a general reduction across the cohort. For single women little change was observed in the distribution of the cost of justice contacts from the baseline to follow-up periods.

The insights provided from the analysis of the distribution of health and justice costs shows not just the heterogeneity of clients of homelessness services, but also provides some insight into the sensitivity of mean cost estimates to outliers and to sample selection. This emphasises the importance of viewing the findings from this and similar research in terms of the relative magnitude of costs and the direction of change in costs, rather than as point estimates.

When considering the cost of providing homelessness support, total program cost reflects recurrent funding, opportunity cost of capital employed in providing client accommodation, and other costs incurred by government in administering programs. Recurrent program funding represents the most objective estimate of cost. For supported accommodation services, this is estimated at $3022/client for the states where services participated in the study and $3470/client across Australia. For tenancy support services the average recurrent funding/client across the participating states was $1970/client; and for street-to-home programs in participating states $6425/client (including street outreach and housed). Recurrent funding is a conservative measure of cost. Once the opportunity cost of capital employed in providing client accommodation is included the cost per period of supported accommodation is $4653/client for participating states and $5101/client for Australia. In addition, governments incur departmental costs in administering these programs and managing and maintaining client accommodation. An indicative cost estimate is made of around $240/client for supported accommodation clients and $60/client for tenancy support. This estimate is based on limited information and should be viewed with caution.

In addition to program cost, the whole of government cost of providing homelessness assistance includes the change in government cost of non-homelessness services that results from a period of homelessness support. To the extent that the cost of non-homelessness services decrease as a result of a period of homelessness support, this represents an offset to the cost of a period of homelessness support. When an increase in these costs is found, to the extent that it represents appropriate service use to address issues affecting ability to maintain a tenancy, this represents a cost of integrated support to prevent homelessness. The base case estimate of whole of government cost refers to the state average cost of providing services and the mean value of cost offsets. Considering both recurrent and capital cost, for single men's services program cost is in part offset by an average reduction in health and justice costs and the whole of government cost is estimated at $3501/client/year. For single women's services, program cost is more than offset by savings associated with reduced use of non-homelessness services, resulting in an estimated net savings to government of $4030/client/year from assisting single women, including women escaping domestic/family violence. Tenancy support clients non-homelessness service cost was higher after the baseline period of support commenced; this largely related to higher health costs that, at least in part, were part of the homelessness support plan. The whole of government cost for this cohort is estimated at $3961/client/year.

As with the cost offsets, the estimated whole of government cost is sensitive to sample selection and the method used to estimate the value of the offset; the mean, 5 per cent trimmed mean, or the median. The conclusion that the cost of homelessness support is offset by reduced cost of non-homelessness services is only robust to the manner in which the value of offsets is estimated for single women's services. For other support types the total cost of non-homelessness services examined was greater after the period of support for a large proportion of clients, and the whole of government cost of homelessness support was greater than the homelessness program costs alone.

The findings presented in this report are important indicators of benefits that accrue to individuals and to government from the provision of homelessness support. They also provide important new information on the distribution of change in government cost of non-homelessness services. However, sensitivity of result to outliers and limitations of the survey method mean that results should be treated as providing an indication of the relative magnitude and direction of these benefits, not accurate point estimates. The outcomes and change in government cost of non-homelessness services reported here represent short- to medium-term changes in client outcomes and circumstances. They also represent findings from a comparatively small sample and the results, subsequently, are subject to sample bias, particularly given the observed distribution of health and justice service costs and sensitivity of conclusions to outliers. It is not possible to determine whether observed changes in the cost of non-homelessness services continue into the longer term; whether decreases in cost are able to be maintained and possibly reduce further; and whether increases in cost will continue into the longer term or will reduce as issues are resolved or are controlled and require less intensive support.

To provide more robust measures of the costs of homelessness, including the cost of non-homelessness services, and to validate the findings presented here, it will be necessary to access longer-term data, preferably from a larger sample. This is difficult, resource intensive and time consuming when using the Client Survey methodology applied here. The survey methodology has a number of problems. These include: potential sample bias in agencies that agree to participate in administering the survey and clients who agree to participate in the survey; and issues of sample attrition and bias associated with the ability to contact respondents for follow-up surveys. In order to obtain a large representative sample to be followed over a number of years, the baseline sample would need to be very large and considerable resources would need to be devoted to keeping in contact with respondents between survey waves and updating contact details. Survey data are self-reported, so subject to potential biases. This is particularly relevant when respondents have mental health issues. It is also difficult to have the survey administered close to commencement of the respondent's support period due to the number of issues they are dealing with at that time, and to have it administered at regular intervals due to issues with contacting respondents and organising interviews. Thus, baseline results will reflect a client's circumstances both during and prior to a period of support, and a gap may occur between the period covered by the baseline and follow-up surveys. These issues will be different for each respondent and it is not possible to control for any possible biases introduced.

To conclude, there are some important policy and research implications of our findings.

- → One year on from entry to support, clients of specialist homelessness services report improvements across a broad range of domains from housing to better mental health outcomes and overall quality of life. Specialist homelessness services are having a positive impact on those they serve.
- → Clients of homelessness services are transitioning from homelessness to housing and experiencing richer lives. However, more can be achieved with respect to employment options for homeless people given the low reported rate of transition to employment for those homeless people who were part of the present study. A focus on the achievement of jobs for homeless people should be a major focus of homelessness policy in the future.
- → The economic evaluation of homelessness support programs undertaken in the present study is a partial evaluation. It focuses only on the direct cost of service provision and on associated cost offsets. We have not sought to place a dollar valuation on the direct benefits of service provision although it is certainly true that some of the benefit is captured indirectly in our cost offsets measure. The direct valuation of benefits from service provision to clients and the community, including those for which no direct market

values are available (e.g. those revolving around improved self-reported quality of life outcomes), represents the key gap in research on homelessness to date.

→ Specialist homelessness services are generating net cost savings to government but impacts differ in terms of the cohort being considered. Our findings show also that there is a very uneven distribution of the costs of homelessness and the direct cost savings generated from intervention. Moreover, in the short term health costs may rise, rather than fall, for clients who have lacked access to appropriate health care. As this health care starts to take effect, longer-term health costs are likely to fall.

Against this backdrop, policy-makers and practitioners alike must be careful not to fall into the trap of espousing the simple story that homelessness interventions are immediately highly cost effective for all clients and produce very large cost savings across the board. Many clients of homelessness services are not generating major costs to government, and successful interventions do not produce large cost savings for all clients in the short term. Nevertheless, net savings on the whole are being generated even in the short term, and good outcomes for the vast majority of clients are being experienced. This more measured position represents the economic case for homelessness interventions.

Our research has utilised self-reported client data to generate results on cost offsets and client outcomes. We do not have a clear control group against which differential costs and benefits can be assessed. In this context, we can see benefits to the use of linked unit record administrative data sets. The recently completed pilot data linkage project across child protection, homelessness and criminal justice services (AIHW 2008, 2012) has demonstrated that linking these collections is feasible and produced new insights into the links between the juvenile justice system, child protection system and homelessness. The richest linked administrative available in any jurisdiction is the WA linked administrative data which includes administrative data from a large range of health and other unit record data sets including the Drug and Alcohol Office, Corrective Services and WA Department of Education. The WA data linkage system has the capacity to link other external data sets (such as homelessness and housing tenancy data), using a process that de-identifies the data once linked to ensure an individual's privacy. It remains the first port of call in relation to future research studies seeking to use linked administrative data to examine the relationship between homelessness and other government service systems.

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APPENDIX 1: SPEARMAN RANK CORRELATION: INDIGENOUS STATUS, HOMELESSNESS, TOTAL RESPONDENT HEALTH COSTS, TOTAL RESPONDENT JUSTICE COSTS

The spearman rank correlation provides a measure of correlation between:

- Total health cost in each survey wave.
- Total justice cost in each survey wave.
- Indigenous status.
- Experienced homelessness—the respondent reporting a period of homelessness in the 12 months prior to each survey wave.
- Period homelessness—the number of weeks a respondent reports they spent living in homelessness circumstances in the 12 months prior to each survey wave.

Homelessness is defined not to include time spent living in crisis or short-term supported accommodation.

The spearman rank correlation for Indigenous status, total health and justice costs is reported for the follow-up sample of single men, single women and tenancy support clients.

The spearman rank correlation for experiences of homelessness total health and justice costs is reported by support type.

Table A1: Spearman rank correlation: Indigenous status, total respondent health costs and total respondent justice costs*

			Total health cost		Total justice cost	
		Indigenous status	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**
Indigenous status	Correlation Coefficient	1.000	-0.027	-0.095	0.020	0.187
	Sig. (2-tailed)		0.846	0.500	0.889	0.179
Baseline: total health cost	Correlation Coefficient	-0.027	1.000	.0477**	0.018	-0.055
	Sig. (2-tailed)	0.846		0.000	0.899	0.696
Follow-up: total health cost	Correlation Coefficient	-0.095	.0477**	1.000	0.079	0.116
	Sig. (2-tailed)	0.500	0.000		0.582	0.407
Baseline: total justice cost	Correlation Coefficient	0.020	0.018	0.079	1.000	0.251
	Sig. (2-tailed)	0.889	0.899	0.582		0.076
Follow-up: total justice cost	Correlation Coefficient	0.187	-0.055	0.116	0.251	1.000
	Sig. (2-tailed)	0.179	0.696	0.407	0.076	

*One respondent refused to answer the question relating to Indigenous status.

** Significant at the 1 per cent level.

Table A2: Spearman rank correlation: homelessness, total respondent health costs and total respondent justice costs, by support type

Panel A: Single men

		Experienced homelessness		Period homeless		Total health cost		Total justice cost	
		Baseline	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**
Baseline: experienced homelessness	Correlation	1.000	0.632**	0.904**	0.616**	-0.172	-0.194	0.283	0.253
	Sig. (2-tailed)		0.005	0.000	0.006	0.494	0.441	0.271	0.312
Follow-up: experienced homelessness	Correlation	0.632**	1.000	0.571*	0.974**	-0.136	0.159	0.360	0.463
	Sig. (2-tailed)	0.005		0.013	0.000	0.590	0.529	0.156	0.053
Baseline: period homeless	Correlation	0.904**	0.571*	1.000	0.499*	-0.224	-0.386	0.316	0.209
	Sig. (2-tailed)	0.000	0.013		0.035	0.372	0.113	0.217	0.404
Follow-up: period homeless	Correlation	0.616**	.0974**	0.499*	1.000	-0.124	0.256	0.258	0.452
	Sig. (2-tailed)	0.006	0.000	0.035		0.624	0.306	0.317	0.060
Baseline: total health cost	Correlation	-0.172	-0.136	-0.224	-0.124	1.000	0.414	-0.316	-0.121
	Sig. (2-tailed)	0.494	0.590	0.372	0.624		0.088	0.217	0.633
Follow-up: total health cost	Correlation	-0.194	0.159	-0.386	0.256	0.414	1.000	-0.155	0.217
	Sig. (2-tailed)	0.441	0.529	0.113	0.306	0.088		0.552	0.388
Baseline: total justice cost	Correlation	0.283	0.360	0.316	0.258	-0.316	-0.155	1.000	0.083
	Sig. (2-tailed)	0.271	0.156	0.217	0.317	0.217	0.552		0.751
Follow-up: total justice cost	Correlation	0.253	0.463	0.209	0.452	-0.121	0.217	0.083	1.000
	Sig. (2-tailed)	0.312	0.053	0.404	0.060	0.633	0.388	0.751	

* Significant at the 5 per cent level.

** Significant at the 1 per cent level.

Table A2 (cont.) Spearman rank correlation: homelessness, total respondent health costs and total respondent justice costs, by support type

Panel B: Single women

		Experienced homelessness		Period homeless		Total health cost		Total justice cost	
		Baseline	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**
Baseline: experienced homelessness	Correlation	1.000	0.027	0.810**	0.079	0.100	0.328	-0.141	0.089
	Sig. (2-tailed)		0.903	0.000	0.721	0.651	0.127	0.520	0.686
Follow-up: experienced homelessness	Correlation	0.027	1.000	0.043	0.979**	0.285	0.071	0.000	-0.030
	Sig. (2-tailed)	0.903		0.844	0.000	0.188	0.747	1.000	0.893
Baseline: period homeless	Correlation	0.810**	0.043	1.000	0.095	0.028	0.160	-0.182	0.236
	Sig. (2-tailed)	0.000	0.844		0.665	0.899	0.466	0.405	0.279
Follow-up: period homeless	Correlation	0.079	0.979**	0.095	1.000	0.224	0.001	-0.045	-0.003
	Sig. (2-tailed)	0.721	0.000	0.665		0.305	0.996	0.840	0.987
Baseline: total health cost	Correlation	0.100	0.285	0.028	0.224	1.000	0.519*	0.210	-0.018
	Sig. (2-tailed)	0.651	0.188	0.899	0.305		0.011	0.336	0.937
Follow-up: total health cost	Correlation	0.328	0.071	0.160	0.001	0.519*	1.000	0.166	0.093
	Sig. (2-tailed)	0.127	0.747	0.466	0.996	0.011		0.450	0.673
Baseline: total justice cost	Correlation	-0.141	0.000	-0.182	-0.045	0.210	0.166	1.000	0.231
	Sig. (2-tailed)	0.520	1.000	0.405	0.840	0.336	0.450		0.288
Follow-up: total justice cost	Correlation	0.089	-0.030	0.236	-0.003	-0.018	0.093	0.231	1.000
	Sig. (2-tailed)	0.686	0.893	0.279	0.987	0.937	0.673	0.288	

* Significant at the 5 per cent level.

** Significant at the 1 per cent level.

Table A2 (cont.) Spearman rank correlation: homelessness, total respondent health costs and total respondent justice costs, by support type

Panel C: Tenancy support

		Experienced homelessness		Period homeless		Total health cost		Total justice cost	
		Baseline	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**	**Baseline**	**Follow-up**
Baseline: experienced homelessness	Correlation	1.000	0.778**	0.990**	0.776**	0.147	0.195	0.312	0.498
	Sig. (2-tailed)		0.002	0.000	0.002	0.633	0.523	0.323	0.084
Follow-up: experienced homelessness	Correlation	0.778**	1.000	0.771**	0.997**	0.228	0.000	0.396	0.639*
	Sig. (2-tailed)	0.002		0.002	0.000	0.453	1.000	0.203	0.019
Baseline: period homeless	Correlation	0.990**	0.771**	1.000	0.756**	0.130	0.119	0.299	0.485
	Sig. (2-tailed)	0.000	0.002		0.003	0.672	0.699	0.345	0.093
Follow-up: period homeless	Correlation	0.776**	0.997**	0.756**	1.000	0.236	0.044	0.399	0.641*
	Sig. (2-tailed)	0.002	0.000	0.003		0.437	0.887	0.198	0.018
Baseline: total health cost	Correlation	0.147	0.228	0.130	0.236	1.000	0.575*	0.230	-0.132
	Sig. (2-tailed)	0.633	0.453	0.672	0.437		0.040	0.472	0.668
Follow-up: total health cost	Correlation	0.195	0.000	0.119	0.044	0.575*	1.000	-0.011	-0.185
	Sig. (2-tailed)	0.523	1.000	0.699	0.887	0.040		0.974	0.545
Baseline: total justice cost	Correlation	0.312	0.396	0.299	0.399	0.230	-0.011	1.000	0.495
	Sig. (2-tailed)	0.323	0.203	0.345	0.198	0.472	0.974		0.102
Follow-up: total justice cost	Correlation	0.498	0.639*	0.485	0.641*	-0.132	-0.185	0.495	1.000
	Sig. (2-tailed)	0.084	0.019	0.093	0.018	0.668	0.545	0.102	

* Significant at the 5 per cent level.

** Significant at the 1 per cent level.

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