



*Final Report*

# **The cost-effectiveness of homelessness programs: a first assessment**

## **Volume 1 – main report**

authored by

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## ACRONYMS

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
CAP	Crisis Accommodation Program
DCD	Department for Community Development (Western Australia)
DCP	Department for Child Protection (Western Australia)
DCS	Department of Corrective Services (Western Australia)
DHW	Department of Housing and Works (Western Australia)
DV	Domestic Violence
HILDA	Household, Income and Labour Dynamics in Australia
NDC	National Data Collection
NDCA	National Data Collection Agency
PAG	Project Advisory Group
PRSAP	Private Rental Support and Advocacy Program
SAAP	Supported Accommodation Assistance Program
SHAP	Supported Housing Assistance Program
TASS	Transitional Accommodation and Support Service
WA	Western Australia
WHOQOL-BREF (Australian version)	World Health Organization Quality of Life (BREF Australian Version)

# EXECUTIVE SUMMARY

## Aims and objectives

This study provides a first assessment of the cost-effectiveness of homelessness programs operating in Australia. Homelessness prevention and support programs provide support to those who are homeless, those escaping domestic violence and those who are at risk of becoming homeless.

The study utilises findings from a relatively small-scale, but, nevertheless rich survey of homelessness program agencies and clients in Western Australia. It provides important findings on the outcomes achieved by clients of homelessness programs and of the net cost of providing support to homelessness program clients as well as suggesting fruitful lines for further enquiry in an area where a significant dearth of evidence exists.

The cost-effectiveness of any given homelessness program is measured by the extent to which it improves client outcomes per dollar spent over and above what would otherwise have occurred. Cost-effectiveness studies, therefore, seek to answer the following question: What outcomes do programs deliver for their clients and at what net cost?

The net cost of providing homelessness support is the gross cost of the support, plus any additional costs generated elsewhere, less any savings or cost offsets achieved elsewhere. Cost offsets arise when programs lower government and personal outlays in non-homelessness areas, which society and individuals would otherwise wish to avoid.

Homelessness programs may improve the health, wellbeing, financial security, labour market and accommodation outcomes of clients. This, in turn, may result in decreased utilisation of homelessness services in the future, reduced utilisation of hospital, justice and other services, reduced child residential care costs, lower social housing and private rental management costs from the avoidance of evictions, lower income support payments and higher revenue from increased income tax payments.

The provision of support may, of course, lead to an appropriate increase rather than decrease in the utilisation of services. For example, clients may enter homelessness support services with pre-existing significant long-term health conditions, which may have not received appropriate treatment. Access to such services may in turn lead to improved access to health care. In this case, health utilisation and related costs would increase, not decrease, because of the provision of support.

## Scope of the study

The study covers the following homelessness support and prevention programs:

- The *Supported Accommodation Assistance Program (SAAP)*: A joint Australian Government and state/territory governments initiative which provides recurrent funding to non-government agencies to provide support to homeless people. The capital funding arm of SAAP is the *Crisis Accommodation Program (CAP)*. In Western Australia, SAAP is administered by the Department for Child Protection (DCP) while CAP is administered by the Department of Housing and Works (DHW).
- The *Supported Housing Assistance Program (SHAP)* and the *Private Rental Support and Advocacy Program (PRSAP)*: SHAP is funded and administered by DHW and provides tenant support services to those in public housing at risk of eviction. At the time of the study, the PRSAP provided tenant support programs

for the private rental market and was funded and administered by the Department for Community Development (DCD). It has subsequently been absorbed into SAAP.

- The *Transitional Accommodation and Support Service (TASS)* and the *Community Re-entry Coordination Support Services (Re-entry Link)* programs administered by the Western Australian Department of Corrective Services (DCS) which provide transitional support to prisoners exiting jail.

The study was restricted to analysis of outcomes for adult clients of homelessness programs operating in Perth and the South-West of Western Australia.

## Data

Two in-depth surveys of homelessness program clients, the *Client Survey* and the *Community Centre Survey*, provide the key source of information on clients' needs and outcomes for the study.

- The *Client Survey* was administered to adult homelessness program clients and conducted over three waves in which clients were followed over a 12-month period.
- The *Community Centre Survey* was a one-off cross-sectional survey conducted in Perth's SAAP funded community centres. These provide daytime support to homeless or otherwise highly disadvantaged people. The *Community Centre Survey* is a modified and shortened form of the *Client Survey*.

Cost data was drawn from two sources, program budgets and support agencies, through a survey instrument, the *Agency Cost Survey*.

One-on-one semi-structured client interviews were also conducted with a small number of clients across a range of programs. These were undertaken not only to enrich and assist in validating the primary data gathered from service providers, but also to flesh out indicative outcomes and service utilisation histories of clients.

## Client needs

Client outcomes need to be read against the needs of clients and their histories of homelessness. Needs were assessed across a range of dimensions.

- *Health*: Significant numbers of respondents in the *Client Survey* reported that they experience a mental health condition (43.9 per cent), with over two-thirds of these respondents taking medication for their mental health condition. Close to a third of all respondents (31.2 per cent) experience a long-term physical health condition, and around a fifth expressed concerns about their own alcohol and drug use.
- *Caseworker assessments*: A significant majority of clients (70.0 per cent) were assessed by caseworkers as requiring intensive or ongoing support to obtain/maintain appropriate housing, while around half were assessed as requiring intensive and/or ongoing support with income and money management issues.
- *Experiences of homelessness*: Around a quarter of all *Client Survey* respondents had experienced at least one episode of primary homelessness (living without shelter) prior to the age of 18. From the age of 18, the incidence of marginalised living among the client group increases. Nearly half of all respondents to the *Client Survey* experienced at least one spell of primary homelessness from the age of 18.
- *Client satisfaction with various dimensions of life*: Against Australian population norms, homelessness program respondents report, immediately following entry to support, a level of satisfaction with various dimensions of life well below these

norms. (Prior to the support period, it is likely that satisfaction levels would be lower still.)

- *Client quality of life*: The *Client Survey* included a quality of life instrument, the WHOQOL-BREF (Australian version) survey. Mean physical, psychological and environmental domain scores for the respondents lie between 20 and 25 per cent below the Australian norm results. The deficit between the *Client Survey* outcomes and those for the Australian norm study is greater for the social relationship domain where the gap widens to around 30 per cent, suggesting a high level of disconnectedness from others experienced by homelessness program clients.

## **Measures of client outcomes**

A multi-dimensional rather than single indicator approach was taken to the measurement of client outcomes. The outcome indicators utilised were:

- Changes in client status – housing, labour force status, level of income, and source of income;
- Changes in self-assessed satisfaction with various dimensions of life, client perceptions of the effectiveness of homelessness programs, knowledge gained as a consequence of support, and quality of life;
- Program-specific client outcome indicators, e.g., reduction in debt levels to housing authorities.

## **Client outcomes – client survey wave 1**

*Housing*: On entry to support, study participants reported a significant improvement in housing outcomes as a result of the assistance they received from agencies: 57.9 per cent reported that their housing position was much better than before assistance was forthcoming. A further 23.7 per cent indicated that their housing position was somewhat better than before assistance was provided.

*Safety*: Homelessness agencies provide an environment which significantly improves clients' perception of safety: 62.0 per cent of clients in the Client Survey reported that assistance had resulted in improved feelings of safety following entry to support. The strongest response is evident for the SAAP-DV and Single Women category of clients where 86.1 per cent indicated that assistance had resulted in an improvement in feelings of safety.

*Employment*: Employment rates are low among homeless program clients but improvement in their employment outlook following the provision of support occurred in SAAP-Single Men and TASS and Re-entry Link services.

*Client perceptions of the effectiveness of homelessness programs*: The vast majority of Wave 1 Client Survey study participants (86.0 per cent) reported that it was 'very important' to receive assistance and help from the service in meeting their needs.

*Knowledge gained as a consequence of support*: Across the various programs, 54.8 per cent of clients indicated that support had resulted in them understanding the issues facing them and how to deal with them a lot more than before support was provided.

## **Client outcomes – client survey follow-up waves**

*Housing*: All those who had been in primary homelessness or temporary accommodation prior to support and who completed follow-up surveys remained housed at the follow-up survey point. There was a net significant reduction in the use

of SAAP/CAP accommodation options by the relevant cohort of respondents over the 12 months of the Client Survey and at the time of the follow-up surveys; private rental and public rental accommodation represented the dominant tenure category for study participants.

*Tenancy support:* The vast majority of those who received support to retain their accommodation in homelessness prevention programs remained in private rental accommodation and public housing at the follow-up points. Rental arrears and tenant liabilities were reduced for those experiencing financial pressures with respect to sustaining their tenancies.

*Income:* The reliance on government income support payments among study respondents fell over the period of the 12-month survey. Correspondingly, the reliance on wage and salary income rose.

*Employment:* By the time of the 12-month follow-up, the proportion of study participants in paid employment had doubled. Correspondingly, there was a reduction in the pool of those experiencing unemployment.

*Life satisfaction and quality of life:* There was a rise in satisfaction with particular dimensions of life in the follow-up surveys compared with the Wave 1 point, although outcomes remain below the Australian general population level. Study participants also displayed an improvement in their quality of life using the WHOQOL-BREF (Australian version) across all four quality of life domains (physical, psychological, social relationship and environmental) from the point of the Wave 1 survey through to the follow-up waves.

## **Community centre survey results**

*Use of services:* Over a third (36 per cent) of respondents visited a community centre every day, and almost a third (30.5 per cent) had been visiting a community centre for over 10 years. Clients access a broad range of services at community centres. The most popular were meals, recreation, information and showers. Around a third of clients used the community centre intensively (7 to 11 distinct services accessed)

*Client outcomes:* Clients reported that they gained positive benefits in terms of meals and other immediate needs, companionship and support from centre staff and medical and legal assistance.

*Primary homelessness:* Those with longer periods of primary homelessness in the past year were significantly more likely to have obtained assistance with personal problems, used showers and used the centre to obtain accommodation and access Centrelink services. On average, they also used a significantly higher number of different community centre services than others.

In terms of client outcomes, we found only two significant differences between those with current, prior year and past experiences of homelessness and others and their perception of the impact of the service. Clients who have spent a longer proportion of their adult life in primary homelessness were more likely to say that they had been assisted to find a place to stay by the community centre and that they know they have somewhere to go if they have a problem.

## **Findings from administrative data collections**

*SAAP National Data Collection (NDC):* The SAAP NDC data reveals a reduction in the incidence of primary and secondary homelessness among SAAP clients following the completion of their support period. The prime source of income on exit from support as it is on entry to support is government pensions/benefits with this source of income

representing the main source of income for 87.9 per cent of support periods. Few clients hold jobs on exit from support but slightly more do on exit than on entry.

*SHAP:* For the last 6-month reporting period (1 January 2006 to 30 June 2006) for which data was available at the time of the study, 44.9 per cent of SHAP clients were assessed as having improved their position over the period, while a worsening was evident for 12.0 per cent of clients. Around one-third of clients recorded an improved commitment to SHAP and half the same level of commitment. 13.6 per cent were expected to need long-term or episodic support.

*TASS and Re-entry Link:* The most common reason for exit from the TASS and Re-entry Link programs is that the time-limited support period has ended. Around 25 per cent of all exits include cases where the client returned to jail, was uncontactable or the program was deemed to be no longer suitable for the client. TASS and Re-entry Link program clients appear to have lower rates of recidivism than others leaving jail.

## **Qualitative research findings**

Qualitative findings were drawn from two sources: in-person in-depth interviews and qualitative comments contained in the Client Survey.

### *In-person in-depth interviews*

Four main contextual factors were identified as representing key drivers of homelessness experiences among clients. These were family of origin experiences, release from prison, problematic substance use, and domestic and family violence.

Participants commented on the personal costs that resulted from their experiences of being homeless. Such costs included living in unsafe environments, the inability to trust others, the cumulative effects of substance use, ongoing mental health concerns, and disconnection or social exclusion.

Not all those interviewed were able to access homelessness and related services they needed to or, if they did, to access them at the appropriate levels. Half of the interview participants commented that the present occasion of support represented their first formal request for assistance but not their first episode of being homeless.

Non-access to supported accommodation services typically involved interviewees staying with relatives or friends until accommodation could be secured.

The nexus between care for children and homelessness was of significant concern for the women involved in the interviews. Three commented that, due to not being granted appropriate housing, they had at various times to 'give up their children' or to 'put children in care'. For these women, this experience had a devastating effect on their lives.

### *Client survey comments of clients and caseworkers*

Clients and caseworkers were asked to report on the consequences of both receiving and not receiving support. The primary consequences noted by clients of not receiving support are that they would have remained in unsafe home environments or in homelessness if support had not been forthcoming.

Clients in tenant support programs indicated that without support they would have been evicted, while others, especially those in SAAP men's services, noted that they may have been incarcerated. One commented, 'I would be in jail now or deliberately tried to overdose'. Further comments indicate that, without assistance, people are at a higher risk of offending and those who have recently been released from prison are at risk of breaching parole conditions.

The non-receipt of assistance impacts on the health and wellbeing of those affected. Impacts noted in the comments included an increase in suicidal ideation, increased stress and mental health concerns, increased substance use, an increase in behavioural patterns, which can include violence against others and self-harm, loss of self-esteem and self-confidence, and increased sense of social isolation.

In relation to domestic and family violence, the respondents commented that without assistance their safety would have been seriously compromised, for example:

If I hadn't been given housing by the refuge, I'm sure I would have been seriously injured or killed because I would have had to stay with my husband.

Would have stayed in an abusive relationship; possibility I would have committed suicide.

Some of those who responded to the follow-up waves of the *Client Survey* noted several areas of resolution. Long-term accommodation had been obtained or maintained; rental arrears had been addressed, and skills in tenancy obligations had been developed. Other comments referred to an increase in self-esteem and ongoing access to other support agencies such as drug and alcohol dependency and parenting support groups.

For a number of respondents, reunification had occurred and family connections had been maintained. The impact of these connections had also increased their sense of social connectedness and enhanced their sense of self-worth.

## **The funding and cost of delivering homelessness services**

An important aim of the study is to bring together, at one point, information on the level of government funding to homelessness programs in Western Australia and, further, to estimate the overall costs of such programs. The difference between the level of government funding for a given program and the overall cost of that program is the level of non-government funding of the program, including client user charges.

### *Government recurrent funding of homelessness programs*

Table 1 presents estimates for 2005-06 of the total level of government recurrent funding to selected homelessness programs operating in Western Australia, together with associated per client levels of recurrent funding. It should be emphasised that estimates of unadjusted per client funding levels cannot reliably be used to make inter-program comparisons of the relative cost of delivering different types of homelessness programs:

- First, differences in data collection methods exist between the various programs, leading to potential differences in counts of the number of clients;
- Second, there are differences between programs with respect to the average duration of support, the rate of capacity utilisation, and client needs.

**Table 1: Recurrent funding by homelessness program, Western Australia, 2005-06**

	<i>Recurrent funding \$ (1)</i>	<i>Proportion of WA funding % (2)</i>	<i>Number of clients assisted (3)</i>	<i>Recurrent funding per client \$ (4) = (1)/(3)</i>
SAAP	\$30,563,000	82.2	8,300 clients 12,700 support periods	\$3,682/client \$2,406/support period
PRSAP	\$2,030,534	5.5	711	\$2,842/client
SHAP	\$2,135,861	5.7	557 clients	\$3,835/client
SHAP Homeless Advisory Service	\$177,554	0.5	92 assessed 50 housed	\$1,447/assessment \$2,663/housed
TASS	\$434,664	1.2	79 clients	\$5,502/client
Re-entry Link	\$1,812,328	4.9	929 formal clients 786 casual clients	\$1,826/formal client \$147/casual client
Total funding	\$37,153,941	100.0		

One major factor leading to differences between the programs in terms of per client recurrent funding levels is the average duration of support for clients, which differs significantly between programs.

#### *Capital costs*

SAAP, TASS and Re-entry Link programs provide both client accommodation and support services. The capital cost of providing accommodation to clients is given by the opportunity cost of having funds invested in the properties.

The opportunity cost of capital is defined as ‘the return foregone from not using the funds to deliver other Government services, or to retire debt ... The user cost of capital rate is applied to all non-current physical assets, less any capital charges and interest on borrowings already reported by the agency (to avoid double counting)’ (SCRCSSP 2001: 3). The imputed cost of capital is determined by applying the current user cost of capital of 8 per cent (SCRCSSP 2006) to the capital value of assets employed.

Table 2 gives an estimate of the opportunity cost of capital in the SAAP, TASS, Re-entry Link programs for 2005-06 and adds this to recurrent funding to give the total level of funding of the programs in Western Australia in 2005-06.

**Table 2: Recurrent funding plus opportunity cost of capital, SAAP, TASS and Re-entry Link, Western Australia, 2005-06**

	<i>Recurrent funding \$*</i> <i>(1)</i>	<i>Opportunity cost of capital \$</i> <i>(2)</i>	<i>Number of clients assisted*</i> <i>(3)</i>	<i>Total funding per client \$</i> <i>(4) = [(1)+(2)]/(3)</i>
SAAP	\$30,563,000	\$7,824,032	8,300 clients 12,700 support periods	\$4,625/client \$3,023/support period
TASS	\$434,664	\$698,256	79 clients	\$14,340/client
Re-entry Link	\$1,812,328		929 formal clients	\$1,826/client no accommodation \$6,326 accommodation**

\*Sources: See Appendix I.

\*\* Estimate.

*The cost of delivering homelessness services including non-government sources of funding*

Information on the overall cost of delivering homelessness services including non-government sources of funding was derived from an *Agency Cost Survey* sent to all agencies whose clients participated in the *Client Survey* and *Community Centre Survey*.

Twenty-three service providers from ten agencies participated in the *Agency Cost Survey*, providing data regarding client numbers, funding, other income sources, expenses and capital employed. The average cost per client is shown in Table 3. The figure for the total cost per client is the sum of expenses incurred in service delivery plus the imputed opportunity cost of capital employed in providing accommodation. The proportion of income and capital invested which is government funded is applied to these total costs to determine a government cost per client.

**Table 3: Total cost per client by program**

	<i>SAAP Crisis</i>	<i>SAAP Medium to long-term</i>	<i>SHAP</i>	<i>PRSAP</i>	<i>TASS</i>	<i>Re-entry Link</i>
<b><i>Cost per client \$</i></b>						
Recurrent cost per client	\$2,243	\$15,470	\$3,483	\$2,145	\$4,245	\$1,912
Imputed opportunity cost of capital	\$588	\$10,453	NA	NA	\$6,596	\$4,500
Total cost per client	\$2,831	\$25,923	\$3,483	\$2,145	\$10,850	\$1,912
						no accommodation \$6,412 accommodation
<b><i>Proportion government funded – per cent</i></b>						
Recurrent cost	74.3	69.4	98.7	100.0	100.0	97.4
Capital cost	60.0	88.5	NA	NA	100.0	100.0
<b><i>Government program cost per client \$</i></b>						
Recurrent cost	\$1,667	\$10,736	\$3,437	\$2,145	\$4,245	\$1,862
Opportunity cost of capital	\$353	\$9,251	NA	NA	\$6,596	\$4,500
Total government cost	\$2,020	\$19,987	\$3,437	\$2,145	\$10,850	\$1,862
						no accommodation \$6,362 accommodation

The cost of delivering homeless services per client is related to the average length of support and provision of accommodation, varying between \$1,912 per Re-entry Link client where no accommodation is provided (\$1,862 government funded) and \$25,923 for a medium/long-term SAAP client (\$19,987 government funded).

Examination of sources of income shows that, for all programs except SAAP, government program specific funding accounts for at least 97.4 per cent of total recurrent funding. SAAP crisis and SAAP medium- to long-term services received 74.3 and 69.4 per cent, respectively, of their total income from program specific funding. In addition to government program funding, providers of SAAP services raise income via other grants and donations, and operating income from rent and other sources.

In most instances, SAAP clients in supported accommodation situations are charged rent; this result held irrespective of whether the property was owned by the agency or provided through CAP or other government programs. Rental income is notionally used to cover the cost of property management including the wages of property manager(s), maintenance and cleaning. Service providers operating refuges generally advised that rent is charged on an 'ability to pay' basis.

Capital employed is also predominantly government funded, except for SAAP accommodation where 40 per cent of crisis and 11.5 per cent of medium/long-term accommodation was owned by the agency, either as sole owner or through a joint venture with the government. Capital invested by the 10 SAAP crisis service providers surveyed in the study totalled an economically significant \$5.3m.

## Cost drivers

Examination of expenditure information provided in the *Agency Cost Survey* shows:

- The major cost component relates to staff costs, accounting for between 52.5 per cent of SAAP medium/long-term expenses and 68.7 per cent of Re-entry Link costs. Where it is possible to identify property management staff costs, they represent an average 13.34 per cent of total staff costs;
- The other major recurrent cost item relates to overheads, which varies between 7.9 per cent of costs for SAAP medium/long-term to 17.2 per cent for SAAP crisis services;
- Vehicle costs are around 5 to 6 per cent of cost for all programs except for SAAP crisis (1.8 per cent) and TASS (17.9 per cent);
- Where accommodation is provided, the opportunity cost of capital represents a significant cost item.

Sufficient returns were available to assess the income/expenditure position of SAAP crisis/short-term services by region and by client group. The average income and expense structure is sensitive to the client group, and the inclusion of single person services in metropolitan services accounts for many of the differences observed between metropolitan and non-metropolitan SAAP crisis services. The cost per client of services supporting single clients only is considerably lower than for those who also support family groups.

The government recurrent cost per client reported from the *Agency Cost survey* is generally lower than the program average cost per client reported previously. This suggests the services that participated in the survey are not wholly representative of all services operating in Western Australia. This may relate to the geographical location of services participating in the survey, the client mix, support requirements of clients or the operating efficiency of services.

## Cost offsets from the provision of homelessness programs

As a result of receiving support from a homelessness program, the use of other government services by clients may change. The whole-of-government budgetary savings generated in non-homelessness based programs because of improved outcomes arising from the provision of homelessness programs are referred to as cost offsets. These represent a reduction in total government funding requirements. Therefore, the government cost of providing homelessness programs is defined to be net of cost offsets.

Studies which have endeavoured to cost potential savings arising from assisting a particular client group have imputed the cost of the group's use of government services and compared this with the population in general. This approach is also followed here. For the sample of client survey respondents who participated in the 12-month follow-up survey we also estimated the difference in the utilisation of health and justice services between the year prior to support and the year following the provision of support and costing this differential.

The dollar value of cost offsets is estimated as:

$$(\text{average annual use by clients}) * (\text{unit cost of service}) - (\text{population average annual use}) * (\text{unit cost of service})$$

A weighted average annual use of services by clients is determined from Wave 1 *Client Survey* and *Community Centre Survey* results on the utilisation of health and justice services in the year prior to support.

In many cases, the provision of support has an ongoing effect on prevalence of service utilisation beyond the 12-month period directly considered. The average life outcome is estimated as the present value of a stream of annual cost savings, where the real value of each year's savings is equal to the identified annual saving. Preliminary estimates presented here assume that these cost savings extend over the average remaining life of clients.

The average age of clients surveyed is 35 years. An average life expectancy of 80 years is assumed and initial 'Average life outcome' estimates assume the annual cost differential continues over a 45-year period. Future year estimates are made in 2005-06 dollars (i.e. no allowance for future inflation is made). Future period cost savings are discounted using a 3 per cent real discount rate to reflect time-preference.

### *Community centre clients*

On average, the cost of health services for a *community centre client* is \$10,217 per person per year greater than the population average, and higher for every service considered. The associated average life outcome is \$250,544 per person. The cost of hospital visits is the major factor, accounting for \$8,893 per annum (87 per cent) of the difference, \$218,034 over the average remaining life. Average use of casualty, emergency and ambulance services is also much higher than for the population at large.

The average cost of justice services for a community centre client is \$3,810 per person per year greater than the population average, with an associated average life outcome of \$93,414 per person. Times in court and nights in prison are the major factors, accounting for \$2,682 (70 per cent) of the annual difference. The incidence of assault or theft and all police contact, except for contact in a vehicle, are also much greater for community centre clients, but the cost per incident is comparatively small.

Average population incidence estimates are not available for 'nights held by police', 'nights in detention, remand or correction' or 'visits from a justice officer'; therefore, these are omitted from comparisons made with the total population, underestimating the value of the cost offset for justice services. The average cost per community centre client of being held overnight by police and in detention, remand or correction are \$251 and \$1,415 per person, respectively. The SCRCSSP (2006) reports a population average cost per person (WA) of \$330 for police services and \$120 for corrective services in 2004-05. This implies that the average population cost for the omitted services is significantly less than that reported for community centre clients and implies that the reported difference in total justice costs is significantly underestimated.

### *Client survey clients*

In relation to the *Client Survey*, we find that, for all programs, the average cost of both health and justice services used by clients exceed the population average. The total potential cost offset ranges from \$7,647 per person per year for PRSAP clients to \$39,690 per person per year for TASS/Re-entry Link clients. The associated average life outcomes range from between \$188,846 per person for PRSAP clients to \$1,141,948 per person for TASS/Re-entry Link clients. There are very few instances where client use of an individual service is less than the population average.

For all programs except TASS/Re-entry Link, over two-thirds of the cost difference relates to health services. In particular, the higher frequency of hospital visits reported by clients compared with the population adds between \$5,702 per person per year for SAAP-DV and Single Women services clients and \$8,464 per year for SHAP clients to the government cost of health services. For TASS/Re-entry Link clients the potential

cost offset relating to hospital stays is similar to other programs, but the largest cost difference relates to the cost of time in prison; \$29,388 per person per year. This is to be expected, given the target population of these programs. It represents a significant potential government savings if subsequent periods of incarceration can be avoided through the provision of housing support.

The 12-month follow-up survey had a relatively small sample. Hence, the findings are indicative and not conclusive by any means. Examination of client outcomes twelve months after the beginning of support shows a reduction in the use and associated cost of all justice services, resulting in an annual cost reduction of \$1,739 per client. However, use of some health services increased; in particular visits to hospital. The increase in hospital costs is contrary to what would be expected. However, the 12-month follow-up is based on a small sample and the increase in hospital costs relates to a very small number of clients who had pre-existing serious mental health conditions with dual diagnosis issues evident. The increase in hospital costs in the 12-month follow-up survey may have related to improved access to mental health facilities following entry to support.

For all programs, the value of annual 'population offsets' is at least twice as large as the annual program cost, inclusive of opportunity cost of capital, resulting in a significant potential net government cost savings from providing assistance. For example, the cost per client for SAAP-Single Men clients is \$4,625, the associated population offset is over twice that amount, at \$10,212, resulting in a negative net program cost, or net cost savings, of -\$5,587 per person per year. Thus, if reduced service utilisation only occurs in the year of support, one-half of the potential savings would need to be achieved for the program cost to be offset by reduced health and justice costs.

## **Conclusion**

The evidence gathered to this point in this study shows that programs produce positive outcomes for clients. Those previously without shelter or permanent accommodation generally remain housed some months down the track, with transitions to permanent accommodation evident in many cases. Those at risk of losing their tenancy without support overwhelmingly maintain it with support. Women escaping domestic and family violence report significantly improved safety outcomes following the provision of support. Clients' quality of life improves through the support period but remain well below Australian nom levels. Improvements in employment and income outcomes are also evident.

The positive outcomes experienced by clients resulting from the assistance provided to them, should be understood against the background of clients as they enter support. Clients of homelessness programs enter support having experienced a history of homelessness and unsafe living, many from a very early age. A significant number of clients present with mental health and long-term physical health conditions and with drug and alcohol misuse problems.

These improved client outcomes come as a result of the provision of services which are inexpensive relative to the direct cost of other potential supported accommodation options in the health and justice area. However, the key to understanding the cost-effectiveness of homelessness programs is to consider the cost of providing support net of relevant cost offsets. If homelessness programs were able to reduce the utilisation of health and justice facilities by clients of homelessness programs down to population rates of utilisation, the savings achieved would pay for the homelessness programs a number of times over and at the same time reduce the budget outlays in

these areas. This suggests that there is potential for homelessness programs to be dramatically cost-effective.

# 1 INTRODUCTION

Homelessness support and prevention programs provide support to those who are homeless or who would otherwise be homeless if assistance were not forthcoming, those escaping domestic violence and those who are in a vulnerable housing position and at risk of becoming homeless.<sup>1</sup> In this study, we provide a first assessment of the cost-effectiveness of homelessness programs operating in Australia. The study draws much of its evidence from a relatively small-scale but rich survey of homelessness program agencies and clients in Western Australia, which provides important findings on the outcomes achieved by clients of homelessness programs and of the net cost of providing support to them.

The effectiveness of homelessness programs measures the extent to which they improve the outcomes of those they assist. The cost-effectiveness of programs sets these outcomes relative to the net cost of delivering services. Cost-effectiveness studies, therefore, seek to answer the following questions: What outcomes do programs deliver for their clients and the community? What is the net cost of achieving these outcomes? How does this 'net return' compare with alternative uses of the same resources?

Homelessness support and prevention programs may improve the health, wellbeing, financial security, labour market and accommodation outcomes of clients. This, in turn, may result in decreased utilisation of homelessness prevention and support services in the future, reduced utilisation of hospital, justice and other services, reduced child residential care costs, lower housing authority and private rental management costs from the avoidance of evictions, lower income support payments and higher revenue from increased income tax payments.

The provision of support may, of course, lead to an appropriate increase rather than decrease in the utilisation of services. An obvious case in point is that of health service expenditures. Clients may enter homelessness support services with pre-existing health conditions, which have not received the appropriate treatment. Homelessness support services may occasion improved access to health care for such clients. In this case, the utilisation of health services would increase, as would obviously health care costs.

The net cost of providing homelessness support is the gross cost of the support, plus any additional costs generated elsewhere, less any savings or cost offsets achieved elsewhere. Cost offsets arise when programs lower government and personal outlays in non-homelessness areas, which society and individuals would otherwise wish to avoid. Ideally, an increase in health care costs that results from appropriate care should not be included in a cost offset calculation, and it is important to distinguish

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<sup>1</sup> The homelessness programs, which are the subject of analysis in this study, are all funded and managed by governments. Client support services are generally delivered by not-for-profit community agencies. The model of governments financing homelessness prevention and support programs and agencies undertaking the delivery of services – the separation of the financing and provision functions – is the most common financing and provision model which applies in Australia. Variations to this basic model exist. Our study shows that agencies often utilise their own housing to supply accommodation services to their clients. Agencies may supplement funds provided from government with their own cash and in-kind contributions and, through rental operations, receive rental income in respect of supported accommodation services. When clients pay rent for accommodation support, they are also contributing to the financing of the program.

Agencies may implement own funded services of a similar nature to government funded programs. In turn, governments may also deliver some services directly to clients of homelessness programs rather than use non-government organisations to undertake service delivery functions. Inter-jurisdictional differences exist in Australia in the way that homelessness programs are funded and services delivered, particularly with respect to accommodation support.

such a case from that where improved homelessness program client outcomes result in lower service utilisation in non-homelessness areas. Distinguishing the two types of outcomes in practice is difficult.

The motivation for the present study arises from a number of sources. The first is to develop the Australian evidence base on the needs of homelessness program clients, their outcomes and the costs of providing support services. Existing administrative data systems are designed to capture information on all clients in a given program for a key set of indicators relevant to the operation of the program. They generally contain information on the socio-demographic background of clients, referral sources, the reason the client presented for support, the services the client will need, and the services they receive or are referred to. However, neither program administrators nor service agencies have the capacity to collect information on clients' histories of homelessness, the complexity and extent of client needs and the extent or nature of client outcomes (bar a select few indicators which may be relatively easy to capture). An aim of this study is to flesh out our knowledge of client needs and outcomes. It is also designed to provide insights into the cost of providing support to individual clients at both the program and agency level.

A second major point of recent interest lies in the role of economic evaluations of homelessness prevention and support programs. While governments now commonly undertake or commission evaluations of the homelessness programs they fund, these are generally not based on a cost-effectiveness framework. Furthermore, they typically utilise existing administrative data sources, which often contain a restricted range of data on client outcomes. There is a paucity of independent research-based cost-effectiveness studies of homelessness programs.

Two major literature reviews of the cost and cost-effectiveness of homelessness prevention and support programs have been published recently (Berry et al. 2003; Pinkney and Ewing 2006). Both point to a paucity of Australian evidence on the cost of delivering homelessness programs and, more particularly, the overall cost-effectiveness of homelessness programs. The present study represents an important first attempt to provide an economic evaluation of homelessness prevention and support services in Australia. It presents a rich array of evidence on client needs and outcomes, on the costs of providing services to homelessness program clients and the key drivers of costs at the agency level. Importantly, it also provides preliminary evidence of the potential budgetary savings which homelessness programs may engender through the provision of support to their clients.

We would emphasise, however, that we see the study as a first assessment of the cost-effectiveness of homelessness programs, and by no means a final assessment. More information on the outcomes obtained by clients over time is required as is longitudinal administrative data on service usage by clients. This requires linkage across data sets. The small-scale Western Australian survey undertaken as part of the study needs to be extended into other jurisdictions and take account of a greater range of homelessness program service areas. We address these issues of the future research agenda in the conclusion to the study.

The third major area of current policy interest addressed by the study is the role of homelessness prevention and early intervention programs. Such programs are of relatively recent origin (apart from SHAP, which has a long history in WA). In the Western Australian context, homelessness programs (SHAP, PRSAP, TASS and Re-Entry Link) received a significant boost with the implementation of the State Homelessness Strategy in 2002. It is, therefore, an appropriate time to evaluate their effectiveness and cost-effectiveness.

A key feature of the study is the adoption of a collaborative or partnership research model. This has involved agencies and program administrators actively engaging with researchers in the development of the research design of the study and its subsequent implementation. Such an approach provides significant advantages relative to the traditional research model and is essential to the success of cost-effectiveness studies in the area of homelessness programs. First, this model enables researchers to learn from agencies and program administrators how programs operate in the field, how effective the programs they are responsible for are, and the cost of running these programs. Second, a collaborative research approach provides a more direct, appropriate and respectful way to obtain access to clients. It is difficult to see how researchers could implement a study of the cost-effectiveness of homelessness programs without the direct support of agencies that provide services to clients and the program administrators who manage the programs. Third, a collaborative approach ensures greater access to both program and agency client-based administrative data and funding mechanisms and levels. Finally, it gives participating agencies and program administrators direct access to the findings of the study and an enhanced ability to utilise this knowledge when considering the operation of their services.

Collaboration between agencies and researchers does, however, entail significant transaction costs (e.g. planning meetings, training sessions and day-to-day one-on-one interactions) which impact on the operation of agencies and researchers alike. There is the potential for inconsistencies in the collection of data when different agencies are involved in collecting the research evidence.

This project involves three main primary data collections: (1) a longitudinal client-based survey (the Client Survey), (2) a one-off survey of clients of Community Centres (the Community Centre Survey) and (3) a one-off survey of agencies (the Agency Cost Survey). These surveys provide a rich source of information on service outputs, client outcomes, the costs of providing support to clients and the effect homeless prevention programs may have on government expenditures on health and justice services.

The programs covered by the study are:

- *Homelessness support programs*: The Supported Accommodation Assistance Program (SAAP), a joint Australian government and state/territory governments initiative, which provides recurrent funding to non-government agencies, and its capital funding arm, the Crisis Accommodation Program (CAP). In Western Australia, SAAP is administered by the Department for Child Protection (DCP) while CAP is administered by the Department of Housing and Works (DHW).
- *Tenant support programs for those at risk of homelessness*: The Supported Housing Assistance Program (SHAP), administered by the DHW, whose primary goal is to provide tenant support services to those in public housing at risk of eviction; and the Private Rental Support and Advocacy Program (PRSAP), operated by the DCP and now absorbed within SAAP, which does likewise in terms of the private rental market;
- *Transitional support programs for prisoners exiting jail*: The Transitional Accommodation and Support Service (TASS) and the Community Re-entry Coordination Support Services (Re-entry Link) programs administered by the Department of Corrective Services (DCS).

The structure of the report is as follows. Chapter 2 provides an outline of the project's methodology and research design, and describes the structure of the study's three

surveys.<sup>2</sup> In Chapter 3, we discuss the operation of homelessness programs in Western Australia. Chapter 4 provides a detailed examination of our findings on client outcomes and the effectiveness of homelessness prevention and support programs. Chapter 5 presents findings from our qualitative research with clients and caseworkers. This aspect of the research provides insights into the impact of homelessness programs in terms of the voices of homeless persons and their support workers.

In Chapters 6 and 7, we present findings from the study's cost and cost offset analysis respectively. The conclusion draws together our findings on the effectiveness of homelessness programs and the net cost of providing support, and examines issues relating to the future direction of research in this area. The report has a companion second volume containing a series of appendixes.

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<sup>2</sup> Further details on the project methodology are contained in the study's Positioning Paper (Flatau et al. 2006) and Chapters 6 and 7 of this report, which address the program cost and cost offset analysis.

## 2 METHOD AND CONCEPTS

### 2.1 Introduction

In this chapter, we define the key concepts used in the study and the methodological framework adopted. In particular, we outline the approach used to estimate client outcomes and the net cost of providing homelessness prevention and support services.

We begin in Section 2.2 by listing the study's four research questions and the methods used to provide the evidence to answer these questions. In Section 2.3, we provide a brief discussion of the definitions of homelessness and review the existing Australian and overseas literature on economic evaluations of homelessness programs. A detailed discussion of these topics is provided in the study's Positioning Paper (Flatau et al. 2006).

Section 2.4 moves on to a discussion of the broad conceptual framework of the study and the key issues relating to conducting research into the cost-effectiveness of homelessness programs. It would not have been possible to answer the research questions addressed by this study without conducting primary data collection. Thus, we spend some time discussing the aims, structure and data capture strategies of the client- and agency-based surveys, which were critical to this project. In Section 2.5, we briefly outline the project's cost and cost offset methodology. A more detailed outline of the method adopted to gather cost and cost offset data is included in Chapters 6 and 7 of and in the Positioning Paper. Finally, in Section 2.6 we discuss the collaborative research partnerships developed between the research team, program administrators and community service providers. These partnerships were fundamental to the project's implementation.

### 2.2 Research framework

The study addresses four key research questions (RQs):

*Research question 1 (RQ1):* What are the key objectives and methods of operation of homelessness programs; how are such programs funded, delivered and administered; how many clients are supported by such programs and what is the cost of providing support to clients under these programs?

*Research question 2 (RQ2):* What do programs achieve for the clients they serve? What are the housing/shelter, income support, primary health, mental health, substance abuse, social relationship/functioning, justice, labour market, education and training, and quality of life outcomes for clients of homelessness prevention and support programs? What happens across these various dimensions when potential clients do not receive support?

*Research question 3 (RQ3):* To what extent do clients of homelessness programs utilise government services in non-homelessness program areas and what is their usage of such services prior to receiving support? What is the level of utilisation of government services by those living on the streets as compared to those who are not? What are the potential whole-of-government incremental budgetary impacts of providing support to clients of homelessness programs when account is taken of cost offsets or budgetary savings realised elsewhere when support is provided?

*Research question 4 (RQ4):* How cost-effective are homelessness prevention and support programs?

We address Research Question 1 through a detailed description of the five major homelessness programs that are the focal point of this study (see Chapter 3 and Flatau et al. 2006). We use administrative data together with data obtained from the project's Client Survey to present a detailed picture of the clients that utilise each of these programs. We determined the government and agency-based net costs of providing support to clients (Chapter 6) through administrative data on program-level funding, client outcome data and data obtained from the study's *Agency Cost Survey*.

We address Research Question 2 through a presentation of findings on client outcomes drawn from program administrative data sources, from our own primary data collections (the *Client Survey* and *Community Centre Survey*) (Chapter 4) and from interviews with clients of services (Chapter 5).

Research Question 3 is based on the hypothesis that the provision of support may reduce the utilisation of a range of government services and so reduce the government's overall expenditure on these services. Within an economic cost-effectiveness framework, these savings are conceived as a cost offset to the direct cost of providing homelessness programs. We present evidence on all clients' utilisation of health and justice services in the 12 months preceding their commencement with a support service through an analysis of data drawn from the *Client Survey* and *Community Centre Survey*. We also present evidence on use of such services in the 12 months after the client first commenced support.

Chapter 7 provides a preliminary assessment of the potential value of cost offsets of providing support. We estimated expenditure (or costs) by multiplying levels of use of services by the unit costs of delivering those services. We derived our data on unit costs from various secondary sources.<sup>3</sup> In this report, we compare clients' use of government health and justice services with their average among the Australian population. This comparison provides an indication of the potential savings that government may obtain if homelessness prevention services could reduce their clients' utilisation of such services to levels that were similar to the Australian average. We also present before and after comparisons for the client group using data drawn from the longitudinal client survey. However, the sample for the 12-month analysis is limited and the results should only be taken as indicative.

Finally, we have answered Research Question 4 by bringing together our findings on outcomes with for clients of homelessness programs with an analysis of the net cost of providing services.

### **2.3 Collaborative partnerships with service providers and program administrators**

As discussed in Chapter 1, this project is founded on the principle of collaborative partnerships between researchers, program administrators and community service providers. Such an approach provides significant advantages relative to the traditional research model and it is difficult to imagine how researchers could successfully implement a cost-effectiveness study in the area of homelessness programs in the absence of a partnership approach. In this project, agencies were involved in all stages of the project design and implementation. Several provided input and comment on the proposed design of the project at its application stage and, once the project received in-principle approval, a Project Advisory Group (PAG) was formed with membership drawn from relevant government departments and from all community-

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<sup>3</sup> See Appendix J for a list of sources.

based service providers who were interested in being directly involved.<sup>4</sup> A secondment from the WA Department for Community Development (DCD) (subsequently the Department for Child Protection (DCP)) and budget allocations made to non-government agencies to assist with the processes of conducting the client and agency surveys further strengthened this research partnership model. The PAG continued to meet on a regular basis throughout the development stages of the study.

The primary focus of PAG meetings was on the structure, content and implementation of the *Client Survey* and the *Community Centre Survey*, the cost analysis and the qualitative research framework. The questionnaire design for the surveys was developed in a series of meetings between the research team and the PAG over a period from late 2005 to early 2006. In the latter half of 2006, discussions focused on preliminary results from the *Client Survey* and *Community Centre Survey* and the cost analysis. The research team also worked closely with the government departments who administer the relevant homelessness prevention and support programs.<sup>5</sup>

## 2.4 Homelessness

### 2.4.1 Defining homelessness

The population of interest in this project is clients of specified homelessness prevention and assistance programs accessing support in mid-2006. By utilising a client-based approach to determining study participant eligibility, we rely on the program's eligibility rules and the definitions of what constitutes homelessness entailed in those rules. Nevertheless, it is important to consider what we understand by the concept and experience of homelessness as this informs the way we construct our research design and survey questions and frame our findings.

The two dominant definitions of homelessness used in Australia are Chamberlain and MacKenzie's three-tiered definition (Chamberlain 1999; Chamberlain and Johnson 2001; Chamberlain and MacKenzie 1992, 2003) and the SAAP legislative definition. The Chamberlain and MacKenzie definition involves the following components:

- *Primary homelessness*, people without conventional accommodation – covering people living on the streets, in parks or in deserted or improvised dwellings, cars, trains carriages etc.
- *Secondary homelessness*, people residing in or moving between various forms of temporary accommodation including emergency, crisis or transitional accommodation. Secondary homelessness includes SAAP/CAP funded accommodation, those residing temporarily with others (including relatives) because they have no place of their own and those using boarding houses on a short-term basis.
- *Tertiary homelessness*, people living in private boarding houses on a long-term basis without their own bathroom, kitchen or security of tenure.

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<sup>4</sup> The agencies on the PAG cover a wide range of community service agencies involved in the provision of homelessness prevention and support programs in Western Australia. They include 55 Central, Anglicare WA, ASWA Inc, Centrecare, Joondalup Youth Support Service, Mission Australia, Mosaic, Multicultural Services Centre of WA, Outcare, Pat Thomas House, Patricia Giles Centre Inc, Perth Inner City Youth Service, Ruah Community Services, Salvation Army, St Bartholomew's House Inc, St Patrick's Community Support Centre, Stirling Women's Refuge, Swan Emergency Accommodation Inc, Uniting Care West, Warren Blackwood Emergency Accommodation Service, Zonta House Refuge Association, Starick Services Inc and Orana.

<sup>5</sup> These included the DCP, DHW and DCS who also were members of PAG.

In accordance with the poverty measurement literature, primary homelessness is also referred to as 'absolute homelessness' and secondary and tertiary homelessness as 'relative homelessness'.

The three-tiered definition of homelessness can largely be operationalised using Census and administrative data sources. It is, however, extremely difficult to obtain a count of those who are in primary homelessness. The definition of 'improvised' dwellings is also subject to interpretation, and differences in interpretation may affect primary homelessness estimates, particularly when interpretations change over time.<sup>6</sup> Reliable estimates of various sub-components of secondary and tertiary homelessness are also difficult to arrive at. For example, it can be difficult to determine the dividing line between residing temporarily with others as opposed to being permanently at a particular address. Furthermore, it is difficult to differentiate between boarding house accommodation that is secure and meets community standards of adequacy and that which does not.

The second widely used definition of homelessness in Australia is that contained in the SAAP legislation: a person is homeless if they have 'inadequate access to safe and secure housing' (*Supported Accommodation Assistance Act 1994*, No. 162, s. 4(1)).<sup>7</sup> Those who are housed but whose home is unsafe because of domestic and family violence are considered to be homeless, as are people without security of tenure and those in accommodation that does not meet community norms of adequacy. The SAAP-based reading of adequacy is a comprehensive one that takes into account health and affordability criteria.<sup>8</sup>

Both of these dominant definitions do not directly address the circumstances of those 'at risk of homelessness', the population that is assisted by homelessness prevention programs. Within these programs, an individual is generally considered to be at risk of homelessness if they face possible eviction from their current private, public or community rental property and would have considerable difficulties obtaining new permanent accommodation, or are leaving jail with little prospect otherwise of securing permanent accommodation. Furthermore, neither definition deals with issues relating to Indigenous spiritual homelessness, the separation from land and family or the experience of the Stolen Generation (Memmott, Long and Chambers 2003; Keys Young 1998).

In our analysis of clients' homelessness status, we also use the three-tiered definition. However, the surveys also collect data on the role of inadequate housing as a trigger for homelessness and are administered to clients of homelessness prevention and assistance programs who are at risk of homelessness. We also move beyond the

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<sup>6</sup> See Goldie (2004).

<sup>7</sup> For the purposes of the SAAP Act 1994, 'a person is taken to have inadequate access to safe and secure housing if the only housing to which the person has access:

- (a) damages, or is likely to damage, the person's health; or
- (b) threatens the person's safety; or
- (c) marginalises the person through failing to provide access to:
  - (i) adequate personal amenities; or
  - (ii) the economic and social supports that a home normally affords; or
- (d) places the person in circumstances which threaten or adversely affect the adequacy, safety, security and affordability of that housing.'

For the purposes of the Act, a person is also taken to have inadequate access to safe and secure housing if they are living in SAAP-based accommodation and their eligibility for accommodation was based on the application of the above criteria.

<sup>8</sup> There are, however, surprisingly, no estimates of the homeless population in Australia based on a SAAP definition of homelessness. There are, of course, estimates of the number of SAAP clients of homeless services, but the number of people using SAAP services is only some fraction of the number of people who have inadequate access to safe and secure housing.

point-in-time representation of homelessness in the two dominant definitions by considering lifetime experiences of homelessness.

#### 2.4.2 *Economic evaluations of homelessness programs*

The objective of this study is to estimate the extent to which services for homeless people or those at risk of homelessness produce improved outcomes across a range of domains and to measure the net costs of providing such services. Economic evaluations provide a framework for bringing together information on the costs and outcomes (or benefits) of programs or services, and assessing these against comparator programs or services, or against the non-intervention case.

Well-established and robust economic evaluations can inform the decision-making process concerning the appropriate level and allocation of resources to the program in question (e.g. Does the program of interest improve outcomes at a low enough additional cost given the alternative use of the resources? Should the program be expanded?). However, the relatively early stage of development of economic evaluation studies of homelessness in Australia suggest that such final-end uses of the results of economic evaluations may be some way off.

The most widely used economic evaluation framework, particularly in the health area, is cost-effectiveness analysis. Under cost-effectiveness analysis, the costs and outcomes of a given homelessness program are compared with the costs and outcome effects of (an) alternative program(s), or with the null case of no intervention. The so-called cost-effectiveness ratio gives the incremental costs of providing the program per unit of incremental benefit. An alternative economic approach is that of cost-benefit analysis where all benefits are assigned a dollar value and directly compared with costs also written in dollars. The advantage of this approach is that evaluations of very different programs can more easily be directly compared with each other, given the common use of dollars as the unit of measurement. The difficulty, and it is generally an insurmountable one, is in converting a range of individual and social outcomes measured in terms other than dollars into potential dollar equivalents. The current study uses cost-effectiveness analysis.

There is no directly comparable study to the present one in Australia. Several important studies, however, provide estimates of the cost of homelessness for particular groups and particular circumstances. These include the Human Rights and Equal Opportunity Commission (Burdekin Report) (1989) which provided a partial determination of the economic costs of child and youth homelessness; Dixon (1993), which considers the economic consequences of not addressing homelessness; and Pinkney and Ewing (1997) who provided a cost-based analysis of youth homelessness in terms of its impact on early school leaving and lost economic output.

The measurement of client program outcomes is a fundamental part of any cost-effectiveness or cost-benefit analysis. Client outcomes refer to the benefits or changes individuals experience during their period of support or as a consequence of participating in the program. As suggested by Baulderstone and Talbot (2004: 3) in their *Outcome Measurement in SAAP Funded Services* study:

An outcome is a change or an absence of change in an identified state. Additionally, this change or absence of change is the intended or unanticipated result of an action or set of actions carried out by a program.

We utilise a multi-outcome framework in the present project. Outcomes are measured across a range of dimensions including changes in client affect and quality of life, changes in client knowledge, changes in client behaviour and changes in client status (Rapp and Poertner 1992). A multi-outcome approach to the effectiveness of

homelessness prevention and support programs provides a more complete picture of the range of impacts programs may have on clients as compared to a single indicator approach.

Client outcome measurement is an inexact science. First, not all client outcome indicators are easy to operationalise. Second, it is difficult to obtain true independent measures of the effect of the program on client outcomes, which net out the impact of non-program determinants. Third, client outcomes can be measured at various points on the continuum of support including on entry, during the support period, on exit and in the post-exit phase. Obtaining post-exit data is a difficult matter, as it requires an ability/right to track clients over time, which can be very difficult to do in the homelessness field (Culhane et al. 1999). This is particularly the case with respect to short-term clients who may not wish to supply follow-up contacts or it is not possible to re-contact clients using the details they provided (e.g. mobile phone numbers that do not work).

Fourth, as pointed out previously, client outcomes should be judged against the needs and histories of individual clients. Many enter homelessness support and prevention programs with high and complex needs, long-standing histories of homelessness and unsafe living environments, and little past engagement with the labour market. What might otherwise appear as limited outcomes may in fact represent critical steps forward for clients with such needs and histories. Indeed, as many indicated in the *Client Survey*, a lack of support may have resulted in jail terms, a return to criminal activities or abusive relationships, or ultimately death.

Fifth, as pointed out by Poertner (2000: 270), there may well be a divergence between the outcomes that clients are working towards and those that caseworkers are attempting to achieve.

Finally, as Poertner (2000: 270) also points out, there is a high cost attached to designing data collections and collecting outcome-based information with respect to clients. Existing large-scale surveys in Australia (funded by governments in the main) invariably are based on the sample of those in private residential dwellings, so excluding the primary homelessness and invariably those in supported accommodation as well, and do not address the issue of homelessness as a topic. There are also significant limitations with existing administrative data sets. This means that homelessness researchers undertake their own surveys but typically on limited budgets which, when combined with the high cost of undertaking research in this field, often produce samples of relatively small size.

## **2.5 Issues and conceptual framework**

A cost-effectiveness analysis involves the gathering of information on client outcomes and on the net cost of service delivery. It seeks to answer the following question: What does a given program achieve for its clients and at what net cost? Evidence in relation to client outcomes or the effectiveness of a program is often established well before any cost-effectiveness study is implemented. The role of the study is then to bring together existing client outcomes findings with relevant cost information to draw conclusions about the cost-effectiveness of a given program. In the case of homelessness programs, however, the client outcomes evidence base remains underdeveloped. Existing administrative client and program funding data sources represent an important starting point, but limitations exist with administrative data in relation to the depth of evidence provided on client needs, histories and outcomes, the role of agencies in resourcing programs, and the impact which service provision has on the achievement of budgetary savings in non-homelessness related program

areas. It is, therefore, necessary to supplement existing administrative sources with survey-based evidence.

Client outcomes are the product of a large number of interconnected determinants, and thus it is difficult, if not impossible, to separately identify the impact of any single factor on clients' outcomes. In the Positioning Paper (Flatau et al. 2006), we outlined a model of the factors influencing client outcomes. These determinants can be grouped into four main categories:

#### **Client-based determinants**

- The proximate triggers and long-term causes that result in clients entering programs;
- The make-up of the client population, in particular the complexity and intensity of the needs of clients and their histories of homelessness, housing vulnerability and past experiences of domestic and family violence;
- Client commitment to the program and client responses to the services provided by agencies;
- External events that impact on clients' ability to successfully manage, meet or overcome their needs.

#### **Program-level determinants**

- Regulations governing client eligibility and the type, level and form of services provided by agencies;
- The dollar value of government-provided resources;
- Quality of the staff administering the program and their commitment to the program;
- The effectiveness of internal management and external agency governance processes and structures;
- The extent to which program administrators and agencies are able to work effectively together.

#### **Agency-level determinants**

- The mission of the agency, its service delivery model and management practices, and the capacities and commitment of staff;
- Agency-provided resources;
- Volume and quality of services provided by agencies to clients.

#### **External determinants**

- External system-wide constraints or opportunities that impact on the effectiveness of the program, such as those related to the availability of affordable housing exit points following the completion of the support period.

When attempting to evaluate the effectiveness and cost-effectiveness of homelessness programs, as this project aims to do, it is necessary to accept that it will not be possible to identify any single factor that directly leads to specific, observed client outcomes. Furthermore, it is necessary to recognise that differential outcomes across programs may be more a reflection of differences in the barriers faced by each program's clients rather than differences in the effectiveness of the programs. We have addressed these complexities by accepting that, particularly at this stage of development within the literature, it is not possible to determine specific factors that influence client outcomes. Therefore, we have instead aimed to describe the range of

client outcomes across the programs and to place these in the context of clients' backgrounds, needs and histories of homelessness.

We have attempted to address the issue of external determinants and agency level determinants by recognising and describing the external environmental constraints and opportunities operating at the time of this project and the amount of resources that homelessness programs have available to them. One important external determinant in Western Australia was the tight private rental housing market, which resulted in bottlenecks in the public rental housing waiting lists and reduced opportunities for clients to find permanent accommodation at the end of their support period. The proportion of clients who make a successful transition to permanent accommodation may be a key performance indicator against which the effectiveness of homelessness programs is judged. And yet, to a considerable extent, relatively poor client outcomes in terms of transitions to permanent housing are a reflection of external housing constraints, rather than the performance of the program itself.

In an ideal research setting, one would want to measure client outcomes on an incremental basis, i.e. measure the difference in outcomes achieved by those assisted over and above what would have occurred (for the same people) had the program not been in place. It is, however, very difficult to obtain accurate estimates of differential outcomes. One option is to conduct randomised controlled trials, which theoretically enables the differential outcomes of those receiving assistance in the program to be estimated controlling for confounding effects. In practice, it is extremely difficult to implement a trial in which individuals are randomly assigned to treatment and non-treatment groups.

There is also a range of ethical difficulties associated with conducting these trials.<sup>9</sup> An alternative option is to produce estimates from data obtained through large sample surveys of individuals who have been assisted as well as those who have not. This data would need to contain detailed information on backgrounds, needs and histories of homelessness. In the ideal (research) world, participant records obtained from survey data would also be matched to administrative program data on the utilisation of services in terms of housing assistance, health, justice, education and training and the labour market and to service provider records. Given the various budgetary, ethical and time constraints governing this project, neither of these approaches were possible.

We assessed program effectiveness on the basis of the extent to which the program brings about a change in outcomes for those assisted, using existing administrative data sources and the study's two client surveys (the *Client Survey* and the *Community Centre Survey*). We examine change in client outcomes at different points: at the point at which clients enter the support period, at around three months following the first interview (and/or at exit from the support period) and at around 12 months. We collect data on client outcomes at each of these four points in time.

This project collects data over a greater number of points in time and has a wider range of data on changes in client outcomes than existing administrative sources. The SAAP National Data Collection (NDC) only incorporates three client outcome indicators (relating to housing, source of income and labour market outcomes) at two points in time. The first collection point is when the client enters the support period and the second point is when the client exits the support period. Many WA

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<sup>9</sup> A trial or survey of the sort envisaged takes a long period of time to implement, must be very well planned and involves a very high cost: A decision to randomly allocate people to the treatment and non-treatment cases can be seen as potentially acting against a service agency mission to serve all in need. Moreover, privacy restrictions may limit the extent to which researchers are able to match survey records to administrative records on service utilisation.

homelessness programs incorporate information on a small range of client outcomes achieved during the support period. However, the set of client outcome indicators available from administrative data sources (together with our understanding of the needs and backgrounds of clients) is too thin for a sufficiently strong analysis of the effectiveness of homelessness. Therefore, this study complemented existing administrative data sources by conducting two surveys with clients in SAAP and the WA homelessness programs.

## **2.6 Client needs and outcomes: data collections**

This project collected primary data on outcomes and client needs for individuals who accessed SAAP or WA homelessness programs in the period May to August 2006 (for the first wave) and who in most cases were experiencing homelessness or were at risk of homelessness. The major client survey that was undertaken (the *Client Survey*) was developed with the aim of obtaining from program clients information on their background, homelessness histories, needs and outcomes over a 12-month period. All relevant agencies of all homelessness programs in the specified geographical area (Perth and the South-West and Great Southern regions of WA), were asked to participate in the administration of the survey. Agencies could decide whether or not their clients participated. Consequently, the sample of client respondents was ultimately determined by the coverage of the agencies that participated in the administration of the Client Survey, the number of clients participating agencies had over this period, and the agencies' ultimate choice about whether or not to administer the survey to any particular client.

The *Client Survey* went into the field in May 2006 and was administered at 31 services; 18 in the SAAP sector (8 single women and domestic and domestic violence services and 11 single men, families and other services) and 13 in the non-SAAP homelessness prevention service sector. To be eligible to participate, an individual had to be aged 18 or over and to have begun a support period in one or more of the designated programs in the period May to August 2006. Furthermore, they had to be a client of a service that was located in Perth, the South-West or Southern regions of Western Australia. Because there was also another homelessness research project directed at the SAAP youth sector in the field over the same period, it was not possible for this project to collect data from clients in this sector. The study is therefore very much concerned with the experience of adults in the SAAP sector. The average age of clients is higher than the average for the sector as a whole.

The *Client Survey* collected a range of data on clients' needs and outcomes. The longitudinal project design enables assessment of client outcomes in the immediate term (the change from the pre-support position to the support position), the short term (outcomes achieved over three months), the term of the support period (outcomes achieved by exit) and the medium term (over a twelve-month period). A multi-dimensional, rather than single indicator, approach was adopted to the measurement of client outcomes.

The data collected on the *Client Survey* contains the following items:

- Socio-demographic status: Age, gender, country of birth, Indigenous status, household formation status and background, English language capabilities, period of residence in Australia, education and training status, main source of income, level of income, current and past labour force status and outcomes;
- Mental and physical health conditions: Mental and physical health conditions, disability status, use of mental health services;

- Alcohol and drug use: whether the client thought their own drug or alcohol use or both was problematic and the client's self-reported use of drug and alcohol rehabilitation services;
- Program-specific items: Reasons for referral, type of support, program-specific client outcomes (such as reduction in level of debt to housing authorities);
- Client needs and capabilities assessment: A rating of a client's needs and the support they would need, whether an agency has the resources to meet the client's needs, the client's view of the case-worker's assessment, and goal attainment. The instrument used for assessment is a considerably modified version of the SAAP Measurement Form (Thomson Goodall Associates 2004);
- Current and past utilisation of health and justice services: Clients' use of medical services and hospital facilities, their interaction with police, prisons and the justice system prior to and following the provision of support;
- Main source of income, labour force participation and participation in education and training;
- Client's own ability to meet circumstances and needs;
- Housing and homelessness outcomes: Accommodation calendars are included in the Wave 1 and follow-up questionnaire. These calendars record the clients' accommodation status over the 12-month period prior to commencing support and in the 12-month period after they commence support. We also included items on: access to public housing options, history of geographic relocations; clients' histories of primary, secondary and tertiary homelessness and unsafe living environments;
- Clients' self-assessed life satisfaction and quality of life outcomes: Clients' self-reported satisfaction with their life across a range of dimensions, their support systems, their views on how the service has assisted them, and the World Health Organization's quality of life survey WHOQOL-BREF Australian Version (May 2000);
- Client and caseworker-own assessments of the effectiveness of support: Clients' and caseworkers' open response comments on the outcomes resulting from the provision of support and what they believe would most likely have occurred if support had not been provided.

Ethics approval for the project was provided by Murdoch University's Ethics Committee and by relevant government departments. Individual client consent was required prior to the completion of the *Client Survey*, through the signing of a consent letter. Clients were advised that information collected would only be used for research purposes and that names and addresses would not be recorded on any *Client Survey* form or in subsequent data collections. Agencies were advised that, if the completion of the survey was expected to have a negative effect on the client, then clients should not be approached to complete it. In all other cases, agencies were requested to seek participation from all clients or a random sample of clients entering programs in a 3-month period following the *Client Survey* going into the field (extended for some programs where client respondent numbers were low).

*Client Survey* forms were completed by a client's caseworker or members of the research team on the basis of direct responses from clients, case notes and case assessments. The form includes a supplementary questionnaire in which clients' assessments of their satisfaction with various dimensions of life were sought on a range of issues, together with their responses to the World Health Organization's quality of life survey WHOQOL-BREF Australian Version. Clients completed this

section of the *Client Survey* themselves but where necessary they obtained assistance from caseworkers or the research team. The project's budget provided cash support to agencies to assist in the gathering of client-based data. Strict protocols have been followed in service provider data collection processes to ensure client and agency confidentiality.

A number of agencies who agreed to participate in the research study experienced difficulties in obtaining clients for the *Client Survey*. There were particular difficulties with the prisoner Re-entry Link programs which were primarily due to the complexities surrounding a client's re-entry into the community. In most cases, a number of activities, such as adhering to parole conditions, finding employment, securing accommodation, and attending mental health and medical appointments, would take precedence over research activities. Similar concerns affected data collection in other programs where clients entered the service after a period of crisis or trauma, although compared to Re-entry Link this was not as much of a problem in other programs. At a more general level, participation in the *Client Survey* was affected by broader organisational responses to the research, the involvement and approach taken by individual managers and caseworkers and, of course, by the interest and motivation of individual clients. The very high caseloads experienced by agencies and the increase in accountability, both within and outside agencies, also made it difficult for some to devote resources to the project.<sup>10</sup>

Wave 1 *Client Survey* forms were submitted for 181 clients. Two of these contained no usable information, leaving the effective sample at 179 study participants. Missing information on particular survey items means that, for most analyses, fewer than 170 responses are generally available for analysis for any given item. *Client Survey* results are presented for each of the four main homelessness program areas: SAAP, SHAP, PRSAP and the TASS/Re-entry Link programs. Results for the SAAP sector are further broken down into three sub-sectors:

- SAAP-DV and Single Women (covering clients of service providers whose target group is either women escaping domestic and family violence or single or lone women experiencing homelessness);
- SAAP-Single Men (covering clients of service providers whose target group is single men);
- SAAP-Families and General (covering clients of service providers whose target group is either homeless families or homeless single men and women).

Table 2.1 provides a program-level breakdown of the number of Wave 1 Client Survey respondents. Of the 181 surveys that were submitted, 27.6 per cent of respondents received support from SAAP-Single Men's targeted services, with a further 21.0 per cent in the SAAP-Domestic Violence (DV) and Single Women sector. A further 12.2 per cent came from the SAAP-Families and General sector. The PRSAP had 39 client respondents (representing a fifth of all respondent clients); the SHAP and TASS and Re-entry Link programs both had 8.8 per cent of respondents.

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<sup>10</sup> Increased demands from 'labour market and the family, demographic shifts, increasing social dependency, continuing urbanisation, changing technologies, rising political consciousness amongst disadvantaged minorities, [and] increasing professionalism' have amounted to increased strain on employees of human service organisations (Jones and May 1992, p. 385).

**Table 2.1: Client survey, wave 1, surveys submitted and clients interviewed, 2006**

	<i>Number</i>	<i>Per cent</i>
<b><i>Surveys submitted</i></b>		
SAAP-DV and single women	38	21.0
SAAP-Single men	50	27.6
SAAP-Families & general	22	12.2
SHAP	16	8.8
PRSAP	39	21.5
TASS and Re-entry	16	8.8
<b><i>Total</i></b>	<b>181</b>	<b>100.0</b>
<b><i>Clients interviewed</i></b>		
	179	

The sample of clients who responded to the *Client Survey* is not representative of the population of WA homelessness program clients as a whole. The composition of the sample was determined by the restricted geographical scope of the survey, by the types of agencies (or services of those agencies) that chose to participate, and the level of interest in the survey on the part of clients in participating agencies.

Four distinct client groups are substantially over- or under-represented in the *Client Survey* sample. There is an over-representation of SAAP-Single Men services clients and an under-representation of young people, SAAP-DV and Single Women services clients. Clients receiving support from services targeting single men completed half of all SAAP-based survey forms.<sup>11</sup> This represents a significant over-representation of clients from this target group within WA. Women are under-represented in the sample. While women comprised 67.8 per cent of WA SAAP clients in 2005-06 (AIHW 2007a), only one-third of the *Client Survey* sample were SAAP-DV or Single Women clients. Nevertheless, there are 38 clients from this group in the sample, and this is a sufficient sample for analysis.

The principal reason for the under-representation of young people is that WA SAAP-Youth service providers were already participating in a study on the homelessness and housing pathways of young people. Due to the low participation of young people in the *Client Survey*, the median age of clients in the study is much higher than the median for the WA SAAP sector (35 compared to 31). Finally, Aboriginal persons are under-represented, largely due to the geographical scope of the study. While the study is limited to Perth, the South-West and Great Southern regions of Western Australia, services north or east of Perth predominantly service Aboriginal clients. While Aboriginal clients comprised 40.7 per cent of all WA SAAP clients in 2005-06 (AIHW 2007a) and 70.4 per cent of SHAP clients in 2006, only 23 per cent of Client Survey respondents were Aboriginal. The over-representation of metropolitan SAAP-Single Men service clients is another factor contributing to the lower representation of Aboriginal SAAP clients in the *Client Survey* as their representation in metropolitan SAAP-Single Men supported accommodation options is lower than for other service areas.

As indicated in Table 2.2, of the 181 Wave 1 *Client Survey* forms that were completed, only 79 contained follow-up contact details. Potential respondents were advised that the provision of such details was entirely voluntary. In terms of the follow-

<sup>11</sup> The key reason for such a strong representation of SAAP-Single Men service clients in the *Client Survey* was the support provided to the study by a major provider of SAAP services to inner Perth single men who are homeless.

up process, the research team made contact with agencies to first ascertain whether clients were still with the service. For those clients who were still with the service, agency staff or a member of the research team undertook a 3-month, exit or 12-month survey. For those clients who had left the service, the research team telephoned the clients (or followed up on addresses) using the follow-up contact details supplied. In some cases, the client had only left follow-up details of the original support agency. In this case, the research team liaised with the agency to see if they knew of the client's whereabouts. In some cases, the original support agency agreed to undertake the interview.

**Table 2.2: Client follow-up contact details, the client survey**

<i>Follow-up contact details</i>	<i>SAAP-DV and single women</i>	<i>SAAP-Single men</i>	<i>SAAP-Families &amp; general</i>	<i>SHAP</i>	<i>Private rental support</i>	<i>TASS and re-entry</i>	<i>Total</i>
Contacts provided (no.)	25	23	7	4	12	8	79
Wave 1 surveys submitted (no.)	38	50	22	16	39	16	181
Contacts provided (per cent)	65.8	46.0	31.8	25.0	30.8	50.0	43.6

**Table 2.3: 3-month, exit and 12-month waves, the client survey**

	<i>Number</i>	<i>Per cent of clients interviewed in wave 1 (n=179)</i>
<b><i>3-month wave</i></b>		
Surveys submitted	69	38.5
Respondent clients interviewed	53	29.6
<b><i>Exit wave</i></b>		
Surveys submitted	38	21.2
Respondent clients interviewed	37	20.7
<b><i>3-month and exit waves</i></b>		
Surveys submitted for both waves	11	6.1
Surveys submitted for one or both waves	96	53.6
Respondent clients interviewed for one or both waves	79	44.1
<b><i>12-month wave</i></b>		
Surveys submitted	52	29.1
Respondent clients interviewed	37	20.7

Ninety-six surveys were submitted for the 3-month and Exit Waves, with 79 respondent clients interviewed. A survey form may have been submitted but a client not interviewed if consent was withdrawn or the client was in jail or hospital at the time. In terms of the 12-month Wave, 52 forms were submitted and 37 clients interviewed. A significant number of clients were non-contactable at the 12-month follow-up point (32.0 per cent of the original Wave 1 set). A further 13.3 per cent of Wave 1 respondents had contact details which were no longer current or correct, or had provided contact details of the agency at which they were originally supported, and the agency was no longer in contact with the client. The other key reasons for why a participant was not re-interviewed at the 12-month point were: No response from repeated attempts to contact (24.3 per cent); and client withdrew consent (7.2 per cent).

**Table 2.4: 12-Month wave, follow-up of respondents, client survey**

<i>Reason respondent non-contactable</i>	<i>Frequency</i>	<i>Per cent</i>
No contact details provided	58	32.0
Contact details provided no longer current or correct	19	10.5
Contact details of agency provided – client no longer in contact with agency	5	2.8
No response from repeated attempts to contact	44	24.3
Moved interstate and phone interview not possible	2	1.1
Client withdrew consent	13	7.2
Client currently in hospital, jail or detention, remand	2	1.1
Other	1	0.6
Total non-completions	144	79.6
Total 12-Month Surveys	37	20.4
Total Client Respondents	181	100.0

For those who had supplied follow-up contact details, the research team telephoned, up to four times if necessary, to determine if they would participate in the second wave interviews. In some cases, letters were sent when clients had only supplied a street or postal address. During this process, interviews were completed or clients were deemed non-contactable. Reasons for deeming clients non-contactable were:

- The client left a mobile number for follow-up contact, and after four attempts the research team were unable to get through. This would either be due to a number being 'unavailable', a mobile being 'switched off', a number being disconnected, or the research team leaving a number of messages which the client did not respond to;
- The client left a number for a family member, friend or agency staff member and, when contacted, this person was unable to provide further details of the whereabouts of the client and had not had further contact with the client;
- The client provided a number for a family, friend or agency and the research team had left a message to pass on to the client, to which the client had not responded.

The follow-up process has highlighted the significant difficulties involved in undertaking longitudinal research with respect to short-term clients, particularly clients of SAAP-Single Men services. The key difficulties experienced include:

- Obtaining agreement on the part of clients to provide follow-up contacts;
- High levels of residential mobility and the absence of community and family connections among many clients;
- The precarious nature of mobile phone contacts, with numbers being changed and phones being lost or stolen, and the need to utilise wherever possible landline contacts;
- Insufficient contact between the research team and some agencies with respect to the importance of obtaining follow-up contacts; the tracking over time, while in support, of respondents and the need to ensure that clients provide, where they consent, multiple follow-up contact points;
- The decision not to pursue a more deliberative procedure involving third-party intermediaries (e.g. community bodies and institutions such as Centrelink) in the follow-up process following consent by the client;

- The inability to pay clients to undertake follow-up surveys because of ethics approval restrictions.

In addition to the *Client Survey*, a separate one-off survey was conducted in Perth's SAAP funded community centres. This *Community Centre Survey* is a modified and shortened form of the *Client Survey*. It includes a limited set of questions on the background of the client together with questions on the services used at the centre, the effectiveness of these services, the 12-month housing calendar, the client's history of homelessness, and the client's utilisation of health and justice services over the last 12 months. The detailed needs assessment tools and various quality of life and satisfaction with life instruments that were included in the *Client Survey* were omitted from the *Community Centre Survey* questionnaires. Fifty-nine questionnaires were completed as part of the *Community Centre Survey*, through face-to-face structured interviews that were conducted between June and August 2006.

In addition to the two client surveys, we also conducted one-on-one semi-structured interviews with a small number of clients across a range of programs. These were undertaken not only to enrich and assist in validating the primary data gathered from service providers, but also to flesh out indicative outcomes and service utilisation histories of clients. Indicative case histories drawn from interviews with clients represent a very rich data source and give providers, readers and policy analysts greater insights into the life experiences of homeless people, the outcomes they achieve and their utilisation of services. The data from these interviews together with an analysis of the outcomes from open-ended questions in the *Client Survey* referring to client and caseworker views of the effectiveness of services and of the possible consequences had services not been provided are provided in Chapter 5, with a detailed methodological discussion included in the Positioning Paper.

## **2.7 Cost analysis**

The Positioning Paper and Chapters 6 and 7 of this report provide a detailed overview of the cost and cost offset methodology adopted in the study. In this report, we summarise the key features of this method. The analysis of the costs of providing homelessness prevention and support programs involves a number of components. We begin with listing the total value of government recurrent funding to each program and then provide estimates of the level of recurrent funding per client. Given differences between programs in the methods for counting the number of clients, durations of support periods, levels of capacity utilisation and needs of clients, comparisons of per client funding levels are highly problematic. Therefore, in Chapter 6 we discuss some of the problems with estimates of the level of government funding per client in each program.

The second component of the cost analysis is an examination of the cost of providing services from an agency perspective and the cost drivers of support. Homelessness prevention and support programs are funded by governments, but agencies may supplement government grants via donations, cash contributed by the agency, and through user charges applied in the course of service delivery (e.g. the charging of rents). In addition, account must be taken of cash costs borne by agencies but not covered by programs (e.g. property damage in headleased dwellings) and the imputed cost of in-kind resources such as volunteer labour. To take into account an agency perspective, we surveyed agencies who participated in the *Client Survey* to gather information on sources of cash support for the delivery of homelessness services, in-kind sources of support, accommodation units available for the provision of support, the nature of the client group and duration of support periods. We refer to this agency-based survey as the *Agency Cost Survey*.

In addition to undertaking a direct cost analysis, this study undertakes an examination of the potential savings to non-homelessness expenditure areas from the provision of support. The terminology we use to describe these types of savings is cost offsets to the costs of running the program. An estimate of the value of cost offsets requires information on the utilisation of government services and the unit costs of providing them. We drew the latter information from the Productivity Commission's *Reports on Government Services*, and the service utilisation information from the *Client Survey* and the *Community Centre Survey*. The most compelling method for estimating the value of cost offsets is to compare pre-support and post-support utilisation of non-homelessness programs by clients and to apply unit costs to the resulting differential to arrive at a dollar equivalent of this difference in service utilisation levels. However, the 12-month follow-up of clients in the *Client Survey* produced a relatively small sample, and so the results from this analysis in the present report have to be treated with some caution.

The second method that we use to assess the budgetary impact of support programs is a comparison of clients' average utilisation of government services prior to the provision of support with the average utilisation rate for the Australian population. This enables us to determine the savings that may be achieved if those receiving support were subsequently to utilise services at the same rate as the general population. The results of this analysis are presented in this report.

The third method we use is a within-client group comparison of government service utilisation rates. We undertook two comparisons. First, for each client group, we compared respondents who were in primary homelessness at the time of the survey (or who had experienced primary homelessness in the previous 12 months) with a cohort of respondents who were not experiencing primary homelessness at the time of the survey and had not experienced primary homelessness in the previous 12 months. Second, again for each client group, we compared all respondents who had experienced primary homelessness or temporary accommodation (e.g. couch surfing with friends or extended family) in the last 12 months with respondents without that experience.

## **2.8 Conclusion**

The objective of this study is twofold. First, it aims to determine the extent to which homelessness programs produce improved outcomes for clients. Second, it aims to assess the net cost of providing services to people experiencing homelessness and those at risk of homelessness. The net cost of these programs is the cost once cost offsets have been taken into account. Administrative client and program funding data sources cannot, on their own, provide the data necessary to assess the effectiveness and cost-effectiveness of homelessness programs. It is for this reason that we have supplemented existing sources with survey-based evidence on client outcomes and the costs of service provision. This chapter has described the structure of the project's methodology and primary data collection instruments. In the following chapters, we set out the results derived from our analysis and the conclusions that flow from them.

## **3 HOMELESSNESS PROGRAMS IN WESTERN AUSTRALIA**

### **3.1 Introduction**

The aim of this chapter is to provide an outline of the operation of those WA homelessness programs that are the subject of the present study.<sup>12</sup> In Chapter 4, we examine the effectiveness of these programs. Our review utilises findings from program administrative data sources and results from the *Client Survey* and *Community Centre Survey*.

### **3.2 An overview**

At the centre of Australia's response to homelessness is the *Supported Accommodation Assistance Program* (SAAP). This is a joint Australian/State Government program governed by an Australian-State Multilateral Agreement (the *SAAP V Multilateral Agreement*). Capital funding for SAAP-based accommodation units is provided in the Crisis Accommodation Program (CAP) funded under a similar joint initiative, the Commonwealth-State Housing Agreement (CSHA). In Western Australia, the Department for Child Protection (DCP) administers the SAAP, while the Department of Housing and Works (DHW) administers the CAP.

In 2006-07, \$30.4 million in recurrent funding was provided to 129 Western Australian not-for-profit agencies that provide a range of SAAP services. These include crisis and temporary accommodation and support for homeless single adults, families and young people; refuges and outreach support services for women who are victims of domestic violence; support and counselling for young people at risk; and other services including meals and social support programs administered in day or community centres.

As in other jurisdictions, SAAP represents the largest homelessness program operating in Western Australia. It is complemented by a set of programs that grew out of, or were given increased impetus and funding from, the WA State Homelessness Strategy. Launched in May 2002, this allocated \$32 million over four years to homelessness programs, focusing on two main areas of support. The first was an increase in the supply of affordable housing options through an increase in the stock of social housing. The second was the introduction of new or the expansion of existing homelessness prevention programs. The emphasis on homelessness prevention programs reflected the views of the State Homelessness Taskforce report *Addressing Homelessness in Western Australia* which proposed a 'shift in focus from crisis accommodation and support to support to assist people in keeping their home as the most effective way to address homelessness' (State Homelessness Taskforce 2002:

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<sup>12</sup> Emma Ferguson assisted in compiling material for this chapter, particularly with respect to the Re-entry Link and TASS programs.

3).<sup>13</sup> A focus on early intervention and homelessness programs is a key priority area of the current SAAP V Multilateral Agreement.

Two state-based tenant support programs operate in Western Australia.<sup>14</sup> The first is the *Supported Housing Assistance Program* (SHAP) in the public housing sector, which has operated since 1991, but which received a boost in funding from the State Homelessness Strategy. SHAP is an early intervention strategy. Its objectives are to assist families and individuals maintain their tenancy and avoid becoming homeless, to ensure tenants meet their overall obligations and responsibilities in accordance with their tenancy agreement, to develop tenants' links to community resources and other services, and to help clients develop the knowledge and skills they need to maintain stable accommodation.

The second tenant support program included in this study is the *Private Rental Support and Advocacy Program* (PRSAP). This provides assistance to people who are having difficulty with maintaining tenancies in the private rental sector. Tenants can refer themselves to the program or be referred by others, including real estate agencies, community agencies, DHW or DCP.

The two final homelessness programs examined in this study are the *Transitional Accommodation and Support Services* (TASS) program and the *Community Re-entry Coordination Service* (Re-entry Link). These provide transitional accommodation support to clients who have a high risk of returning to custody following release from prison. The Department of Corrective Services (DCS) manages these programs with contracted agencies. Both offer a range of support services including the provision of information, advocacy, counselling, parole support, employment and training support, family support, life skills development and accommodation assistance to prisoners prior to release from prison. These programs aim to assist a client's transition into stable accommodation and to help them establish networks that will assist them to reintegrate back into the community.

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<sup>13</sup> The four-year strategy was the subject of a recent evaluation (Estill and Associates 2006). The evaluation examined whether programs had successfully been implemented in response to the recommendations proposed by the State Homelessness Taskforce, the effectiveness of service delivery, and the extent to which programs have assisted clients. In addition, the evaluation explored whether funding should continue, cease or change, and the extent to which homelessness was reduced through improvement of the service system's response. The major finding was that stakeholders strongly supported the direction taken in the State Homelessness Strategy initiatives. The evaluation indicated that service delivery had improved through the provision of additional funding to government and non-government agencies and that the Homelessness Strategy had ensured that the issue of homelessness was maintained as a major government priority. The evaluation, however, did not cover the issue of the cost-effectiveness of programs covered by the Strategy and restricted its analysis of the effectiveness of programs to the presentation of findings from existing administrative data sources, interviews with key personnel from government and non-government agencies, stakeholder submissions and responses to a stakeholder survey. As noted by Estill and Associates (2006: iii), the original evaluation question did seek to address the question of the cost-effectiveness of the initiatives, but it was agreed that insufficient data was available to answer this question and it was not pursued in the evaluation. No new client-based data collections were undertaken as part of the evaluation. As a result, the task of extending the evidence base in relation to client outcomes (the effectiveness of programs) and the cost-effectiveness of these programs remains.

<sup>14</sup> In addition to these WA state-based programs, support for families at risk of becoming homeless is provided through the Australian government's national Household Organisational Management Expenses (HOME) Advice Program. The WA HOME Advice service is operated by Anglicare in Mandurah, a rapidly growing centre south of Perth.

### 3.3 The Supported Accommodation Assistance Program (SAAP)

This section presents client background, needs, output and outcomes using data drawn primarily from the *SAAP National Data Collection Annual Reports Western Australia Supplementary Tables* and the study's *Client Survey*.

At any point in time, SAAP provides supported accommodation to around 700 to 800 people (excluding children) in WA, and support without accommodation to a further 700 to 800. In 2005-06, 8,350 clients and 5,400 accompanying children accessed support through SAAP services (AIHW 2007a). Around a quarter of all clients access SAAP support services more than once in a given year (see Appendix A Table A1). Two-thirds of SAAP clients are women, reflecting the very high proportion of SAAP clients escaping domestic violence.

Aboriginal people are significantly over-represented in the SAAP sector. They represent approximately 40 per cent of all clients, but less than 4 per cent of the Western Australian population. Agencies whose target group are young people have a 20 per cent share of all support periods in the SAAP sector. The main reason clients access SAAP services is because of domestic violence experienced by women and children (33 per cent). Housing related reasons account for approximately a further 20 per cent of primary reasons (see Appendix A Tables A.2a and A.2b). The remaining key reasons include relationship and family breakdown difficulties, other personal reasons and financial difficulties. Difficulties within the family often result in one or more members seeking outside support or moving away from the family unit, potentially placing other members in both emotional and financial difficulty.

The *Client Survey* findings on main reasons for seeking assistance from SAAP were similar to those of the SAAP NDC administrative data. As noted previously, in the *Client Survey*, we divided respondents into three SAAP categories depending on the client group targeted by agencies from which the client is drawn. The three client groups are SAAP-Domestic Violence (DV) and Single Women, SAAP-Single Men and SAAP-Families and General services. For SAAP-DV or Single Women services, the majority of respondents were assessed by caseworkers as primarily presenting for support due to domestic and family violence. Other presenting reasons for women in the SAAP-DV and Single Women services sector include physical and emotional abuse, sexual abuse, family and relationship breakdown, evictions/asked to leave, mental health issues and problematic drug /alcohol/substance use.

In the case of SAAP-Single Men services clients, the primary reasons for seeking assistance were accommodation-based problems together with mental health issues, problematic drug /alcohol/substance use and financial difficulties. According to the *Client Survey* data, individuals who are in SAAP-Families and General services present for a wide range of reasons including domestic violence and physical and emotional abuse, significant accommodation-based problems (including overcrowding), mental health issues and problematic drug /alcohol/substance use.

In addition to providing services directly to clients, SAAP agencies also make referrals to outside agencies. Evidence from the *Client Survey* indicates that in the SAAP-DV and Single Women sector, the key services provided include accommodation services and other services related to basic needs (e.g. meals, laundry/shower facilities, recreation and transport), financial counselling and support, domestic/family violence support; emotional support, advice and information, and advocacy. Other services provided to a significant number of respondents include financial assistance/material aid, health/medical services, assistance with legal issues/court support, assistance to obtain/maintain a government allowance and drug/alcohol support or intervention (see

Appendix A Table A4). A similar range of services are provided to children in SAAP-DV and Single Women services, but a number of specialist children-based services are also provided, including school liaison, child care, help with behavioural problems, sexual/physical abuse support, skills education, structured play/skills development and access arrangements (see Appendix A Table A5).

The range of services provided to respondents in the SAAP-Families and General services sector was similar to the services provided to clients in SAAP-DV and the Single Women services sector (see Appendix A Table A4). However, there were some key differences. The provision of domestic/family violence support was much lower for the SAAP-Families and General services sector, and family/relationship support was considerably higher as was financial counselling and support, living skills/personal development, assistance with legal issues/court support, assistance with a gambling problem, drug and alcohol support and culturally-specific services.

Evidence from the *Client Survey* suggests that the range of services provided to clients in the SAAP-Single Men services sector is targeted to a more narrow range of needs than in either of the other two categories. In part, this reflects that many SAAP-Single Men services sector clients enter for immediate crisis reasons and leave quickly. In a short support period, it is difficult to assess a client's needs and therefore to organise appropriate services to meet those needs. Furthermore, in some cases the client may be reluctant to supply information necessary for a needs assessment. Services for clients of this sector are targeted to accommodation and other basic needs (meals, laundry/shower facilities, recreation and transport), advice/information, financial assistance/material aid and drug and alcohol support.

For clients of community support centres (or day centres as they are sometimes referred to), we collected data on support provided through the *Community Centre Survey* and the closed response questions 'How often do you currently visit the centre?', 'What services do you get at the centre?' and 'What services has the centre referred you on to?' The survey provided clients with a list of 19 services and asked them which of these they used. Responses were combined to produce an indicator that records the total number of different services that a client used.<sup>15</sup> Over a third (36 per cent) of respondents visited the centre at which the survey was conducted every day, and almost a third (30.5 per cent) had been visiting the centre for over 10 years (see Appendix D Table D2). We found no significant difference in the frequency in which clients visited the centre by age, gender, physical disability, mental disability or current homelessness status. However, clients with drug or alcohol problems were less likely to visit a centre every day compared to those without these problems.

The services clients most frequently used in community support centres were meals (93 per cent of respondents), recreation (66 per cent), information (58 per cent) and showers (58 per cent). The least commonly used services were laundry (12 per cent), emergency relief (9 per cent) and legal support (7 per cent). The majority of clients used a range of services (a third used '7 to 12' distinct services); only a minority (19 per cent) used only '0 to 2' distinct services (see Appendix D Table D3). There is very little statistically significant difference in the types of services used according to age,

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<sup>15</sup> This variable provides an indicator of how intensively clients used the centre, but it should be noted that, as a measure of intensity of use, this variable has limitations because clients may use a small number of services very intensively. For example, a client who only uses three services, but uses meal and shower services daily and laundry services weekly, is probably a more intensive user of a centre's resources than one who used three services but in the last three months had one hair cut, used the fax once to access another service and used the table tennis for recreation daily. Although a somewhat crude indicator of intensity of service use, this derived variable, 'total number of different services used', is useful when used in conjunction with the survey data on the individual types of services clients use.

gender, physical disability or mental health issues.<sup>16</sup> The only statistically significant difference found was in the mean number of distinct services used by clients with drug/alcohol problems compared to those without these problems. On average, those with self-assessed drug and/or alcohol problems use nine distinct services while those without these problems, on average, used six distinct services. Thus, while clients with drug/alcohol problems are less likely to visit the centre every day it is open, they use a wider range of services when they do attend the centre.

### 3.4 SHAP

SHAP services are provided by non-government agencies, with recurrent funding from the DHW. Participation is voluntary. However, participation in SHAP is sometimes a condition of a tenancy where a client has a poor tenancy history including debts, problems with maintaining the property to a set standard, or anti-social behaviour notifications. In these cases, a household may exit from a SAAP support period straight into a SHAP support period. SHAP services may include assistance with improving housekeeping skills, budgeting, and dealing with domestic violence, child abuse, drug and alcohol problems and mental illness. In recent years, SHAP has been extended to include a number of special projects. These include:

- A tenant support program for eligible homeless people attempting to access accommodation from the Homeless Advisory Service (HAS) administered by the DHW;
- A community housing tenancy support service in which a community housing organisation headleases a public housing dwelling and provides tenancy support services to eligible SHAP clients;
- An intensive family support program in which both tenancy management and service support are undertaken by community agencies.

As indicated in Table 3.1, property standards represented the most significant source of referral to the SHAP, followed by anti-social behaviour, rental arrears and tenant liability.

**Table 3.1: SHAP client referrals, January to June 2006**

	<i>1 January 2006 – 30 June 2006</i>	
	<i>Number</i>	<i>Per cent</i>
Property standards	93	28.9
Tenant liability	33	10.2
Rental arrears	42	13.0
Property damage	12	3.7
Tenancy breaches	4	1.2
Family relationships	22	6.8
Other	63	19.6
Anti-social behaviour	53	16.5
Total	322	100.0

Source: DHW. SHAP agency half-yearly reports.

<sup>16</sup> Women (P .05) were more likely than males to use haircuts, and younger persons were more likely to use 'showers etc.' Those with mental health issues (P .05) were more likely than those without to use emergency assistance and health services.

Evidence from the *Client Survey* reveals that non-tenancy issues also contributed to tenants being referred to a SHAP agency (see Table 3.2). For example, health issues were assessed by agency-based caseworkers as a contributing factor to referrals for 37.5 per cent of SHAP respondent clients, while experiences of domestic and family violence were listed as contributing reasons for 12.5 per cent of clients. Relationship breakdown was assessed as a contributing referral determinant for a further 18.8 per cent, and child management issues were significant in the case of 12.5 per cent. Reflecting the very high proportion of respondents drawn from the specialist Homeless Advisory Service program, the experience of homelessness was a contributing factor leading to a SHAP referral for 31.3 per cent of respondents, and a history of accommodation evictions was relevant for 18.8 per cent of SHAP clients.

**Table 3.2: Factors contributing to the client being referred to a tenancy support program, wave 1 client survey 2006 (n=55)**

<i>Per cent; \$</i>	<i>SHAP</i>	<i>Private rental support</i>
Rental arrears	37.5	73.0
(Mean value of rental arrears for those with rental arrears) \$	\$899	\$1,400
(Median value of rental arrears for those with rental arrears) \$	\$650	\$650
Tenant liabilities (other than rent arrears)	43.8	35.1
(Mean value of tenant liabilities for those with tenant liabilities) \$	\$1,095	\$4,294
(Median value of tenant liabilities for those with tenant liabilities) \$	\$1,117	\$1,100
Debts and/or outstanding fines to utilities, store credit, banks and financial institutions	31.3	62.2
Property standards	43.8	16.2
Damage to property	18.8	13.5
Anti-social behaviour	25.0	2.7
History of housing tenancy management problems	37.5	37.8
Client on a tenant database that precludes entry to a new private tenancy	18.8	5.4
Housing termination notice currently in force	0.0	40.5
Court orders in relation to eviction	0.0	13.5
Evicted from immediate past accommodation	18.8	5.4
Homelessness	31.3	16.2
Experiences of family and domestic violence	12.5	10.8
Relationship breakdown having a significant effect on the tenancy	18.8	24.3
Incarceration of one or more of those in the household	0.0	5.4
Hospitalisation/rehabilitation of one or more members of the household	6.3	8.1
Loss of employment	0.0	8.1
Health issues/medical and prescription costs	37.5	29.7
Sale of rental property	6.3	5.4
Child management	12.5	13.5
Overcrowding and inadequate allocation of housing	6.3	8.1
Other	0.0	24.3

Note: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'.

Aboriginal clients are significantly over-represented in SHAP services. For the latest 6-month reporting period for which data was available when the report was in preparation (1 January 2006 to 30 June 2006), they represented 70.4 per cent of the SHAP client population (see Appendix A Table A6). This is due to a number of factors. Firstly, a relatively high number of Aboriginal people are public housing tenants. Secondly, SHAP services have traditionally operated in non-metropolitan areas and other areas that have a disproportionately high number of Aboriginal persons. Indeed, most SHAP clients are based outside the metropolitan region (43.2 per cent). Thirdly, Aboriginal clients have typically faced much higher rates of eviction from public housing than non-Aboriginal tenants, and their over-representation in the SHAP is part of an attempt by the DHW and SHAP agencies to reduce these rates.

In line with its model of providing relatively long support periods, at any point in time around 60 per cent of all SHAP clients have been receiving assistance for more than 6 months. SHAP administrative data sources do not provide information on the median and mean duration of closed support periods, a point to which we return when considering the issue of the per unit costs of providing support to clients in homelessness support and prevention programs. In short, per client SHAP funding estimates cannot be adjusted for the duration of support. Participation in SHAP is voluntary for both clients and community support agencies, however, less than 10 per cent of referrals are not accepted on to the program in any given 6-month reporting period, either because potential clients refused to participate or agencies refused to accept them due to safety concerns.

The *Client Survey* provides further insights into the operation of the SHAP in terms of the needs of clients and the services provided (see Appendix A Table A7). Agencies clients provide a broad range of support services. They include: visits, advice and information, assistance to resolve the problems identified by DHW in the original referral, financial counselling and support, domestic and family violence support, family/relationship support including child management support, assistance to maintain or obtain government income support payments, assistance to with legal issues, and assistance with mental health and other health conditions and drug and alcohol problems.

Our *Client Survey* evidence suggests that the distribution of needs and support services among SHAP respondents are similar to SAAP clients. However, support appears to be higher in the areas of assistance with mental health and other health conditions and drug and alcohol problems, caseworker assessed client needs and indicators of provision of support. The obvious conclusion to be drawn from this is that SHAP clients often present with high and complex needs, especially relative to those receiving support in private rental tenancy programs, a fact that managers of agencies, who provide services to both sectors, have suggested to the research team.

### **3.5 The private rental support and advocacy program**

The first of seven PRSAP services in Western Australia began operating in November 2003 and the final service commenced in March 2004. Three services have been established in the metropolitan area, and three in the regional areas of Geraldton, Peel and Busselton. (Subsequent to the study, these services were brought within the SAAP sector, but the PRSAP will be treated as a separate program here.) A metropolitan-based service to assist people from culturally and linguistically diverse (CALD) backgrounds has also been funded. Under the PRSAP, services provided by agencies are structured around the needs of the individual tenant or family. Tenants who are supported under the program are case managed. Caseworkers provide assistance before debts or other tenancy management issues become unmanageable

or the eviction process begins. With the tenant's consent, the caseworker liaises with landlords and property managers to address the issue/s until the tenancy is stabilised.

Appendix A Table A8 presents client referral, background and outcome data collated from PRSAP agency reports to the program funding body, the Department for Child Protection (DCP), for the reporting periods of 2004-05 and 2005-06. The largest single client group accessing the program is single females with dependant children representing over 40 per cent of all clients. Single male, female and couple households are roughly equally represented in the PRSAP and make up the bulk of remaining clients. Aboriginal households comprised 2.5 per cent of private rental households in Western Australia at the time of the 2001 Census, but 12.7 per cent of PRSAP clients (January-June 2006).<sup>17</sup> Although over-represented in the PRSAP, their representation is below that for other homelessness programs operating in WA.

The two most significant sources of referral to the PRSAP are local community agencies and groups, and self-referrals. Together they represented around 60 per cent of all referrals in the last reporting period (January-June 2006). Their share of referrals has risen over time while, correspondingly, referrals from real estate agents have fallen from an initial relatively high level. Referrals from government department sources represent a small proportion, a fact that may have been unexpected when the program began.

We supplement the PRSAP administrative data on factors contributing to entry into the program with findings from the *Client Survey* (see Appendix A Table A8). These findings suggest that financial problems and housing tenancy management problems are the key drivers of entry. Results from caseworker assessments indicate that rental arrears were an important entry driver for 73.0 per cent of PRSAP respondent clients, tenant liabilities were a contributing factor for 35.1 per cent, and debts and/or outstanding fines to utilities, store credit, banks and financial institutions were a contributing factor for 62.2 per cent. A recent serious history of housing tenancy management problems contributed to entry for 37.8 per cent of clients, with a housing termination notice currently in force relevant in 40.5 per cent of all cases, court orders relating to an eviction relevant in 13.5 per cent, and homelessness a contributing factor in 16.2 per cent. Compared to SHAP property standard problems and anti-social behaviour, notifications were less common factors contributing to entry to the PRSAP. Non-housing and financial reasons for entering the PRSAP included experiences of domestic and family violence, relationship breakdown having a significant effect on the tenancy, health issues and child management problems.

Tenancy advice/information/support represents the most important service type for PRSAP clients. A range of other services are also important, including one-to-one in-home practical assistance/skill building activities, information and referrals, linkage to other services, negotiation and emergency relief. The support services are similar to those provided to SHAP clients with respect to a broad range of services relating to tenancy and financial issues (see Appendix A Table A5). The key area of difference lies in the complexity of the SHAP client cases relative to the PRSAP clients. The latter are less likely to be assessed by caseworkers as requiring DCP liaison with respect to family reunification, drug/alcohol support/rehabilitation/intervention, health/medical services and mental health support services.

### **3.6 The TASS and re-entry link programs**

In the Transitional Accommodation and Support Services (TASS) program, contractors from non-government agencies provide re-entry support and mentoring

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<sup>17</sup> Census 2001 Community Profile Series, Indigenous Profile, Cat. No. 2002.0.

services to referred offenders and DHW provide accommodation units on a fixed-term basis. The DCS manages the program and the service agreements contractors. The DHW undertakes property and tenancy management and maintenance of the housing allocated. The fixed-term lease for the rental property is taken out in the client's name, and clients are subject to the standard Homeswest tenancy agreement. Eight non-government community support agencies across the state provide clients with support for between one and three months before they leave prison and for six months afterwards. Three of these agencies are in the Perth metropolitan area. The support services include information, advocacy, counselling, parole support, family support, life skills development, transport, referral for community resources, transport and employment/training support. The program aims to help clients transition into stable accommodation and establish appropriate networks to assist with their integration back into the community.

In the Re-entry Link program, DHW make some dwellings available on a headleasing basis to service providers. However, compared to TASS, accommodation support is not as important a feature of this program. Participation by offenders and their families is voluntary. Eight non-government community support agencies across the state provide clients with support for up to three months before they leave prison and up to six months afterwards. The program uses a case management approach to assess the offender's needs, develop and implement appropriate exit plans, and address their needs through referral and advocacy. The services assists clients with a range of issues including finding accommodation, mental health issues, general health issues, drug treatment and counselling, family relationships and education, training and employment opportunities and options. The Re-entry Link program was established in the South-West and Great Southern regions in October 2003 and progressively in the metropolitan, Mid West, Goldfields, Kimberley and Pilbara areas during 2004.

Table 3.3 presents a snapshot of TASS and Re-Entry Link clients based on relevant administrative data. In 2005-06, 79 clients accessed TASS and 929 accessed Re-Entry Link. A further 786 accessed Re-Entry Link as casual clients (i.e. they were not case managed). Women are over-represented in TASS. While they comprise 34.2 per cent of TASS clients, according to the DCS 2005-06 *Annual Report*, only 7.2 per cent of the prison population was female in this period. The representation of women in the Re-entry Link program (12.3 per cent) is more in line with their proportion of the prison population.

The high participation of Aboriginal persons in these programs reflects their over-representation in the Western Australian prison population (around 40 per cent in 2005-06). In 2005-06, Aboriginal clients comprised 46.8 per cent of TASS clients and 55.9 per cent of Re-Entry Link program clients. Aboriginal people exiting prison face significant difficulties accessing services, particularly accommodation options in the private rental market. DCS has implemented a range of initiatives under the Reducing Aboriginal Imprisonment Strategy. These include returning prisoners to their home communities, providing bail coordination, increasing access to early release, facilitating employment options, employing sheriff/community development officers in the Goldfields and other areas to increase use of fine payment options, judicial case management for family and domestic violence cases, developing a regional family and domestic violence pilot, and employing Aboriginal liaison officers in the Gascoyne to help Aboriginal people through court (DCS 2006).

Both the Re-entry Link and TASS programs offer an opportunity for clients to be secure in either crisis accommodation for three months (an option that is often available in the Re-entry Link program) or in public housing for six months (the TASS program is centred around a 6-month fixed term lease in public housing), whereby

they are supported in order to secure more permanent accommodation for both themselves and their family. Table 3.3 provides further information on the background of male TASS and Re-entry Link clients, drawn from the study's *Client Survey* (no female TASS or Re-entry Link clients took part in the survey).

Reflecting the accommodation options linked to the two programs, most access public and community housing accommodation on release.<sup>18</sup> A fixed stable accommodation point is crucial in enabling ex-prisoners to settle back into the community, to find employment and to access their children. As indicated in Appendix A Table A10, half of all TASS and Re-entry clients also require stable accommodation to gain access to or custody of their children.

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<sup>18</sup> The median length of the last completed sentence of respondents was around one and a half years. Most had experienced previous sentences prior to the one on which support was provided, with three spells in jail being the median number of times. The median lifetime spent in jail was close to four years.

**Table 3.3: TASS and re-entry link clients, 2004-05 to 2005-06**

	<b>TASS</b>		<b>Re-entry link</b>	
	<b>2004-05</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2005-06</b>
<b>Aboriginal clients</b>				
Female	13	19	49	88
Male	12	18	371	431
Total	25	37	420	519
<b>Non-Aboriginal clients</b>				
Female	14	8	21	26
Male	41	34	382	384
Total	55	42	403	410
<b>Total clients</b>				
Aboriginal clients (per cent)	31.3	46.8	51.0	55.9
Non-Aboriginal clients (per cent)	68.8	53.2	49.0	44.1
Total (per cent)	100.0	100.0	100.0	100.0
<b>Gender</b>				
Female clients (per cent)	33.8	34.2	8.5	12.3
Male clients (per cent)	66.3	65.8	91.5	87.7
Total (per cent)	100.0	100.0	100.0	100.0
<b>Casual clients (re-entry link)</b>				
	n.a.	n.a.	851	786
<b>Total number of client contacts</b>				
	3,958	3,062	8,552	11,517
<b>Average contact per client</b>				
	49.5	38.8	10.4	12.4
<b>Unadjusted average days of engagement: quarterly average (1)</b>				
	148.4	162.0	152.7	165.4
<b>Distribution of services provided (June quarter) (per cent)</b>				
Accommodation support	25.1	32.9	18.3	22.1
Information	30.4	8.5	25.6	19.5
Advocacy	6.6	8.7	10.6	7.1
Parole support	5.9	9.9	3.8	8.2
Support planning	6.6	7.6	10.9	9.0
Counselling	3.7	3.1	4.5	3.0
Life skills development	0.8	4.8	1.5	5.6
Financial assistance	1.7	0.7	2.4	2.7
Family support	1.2	4.6	2.9	1.3
Transport	1.1	2.7	0.8	1.3
Employment/training support	0.7	2.7	2.6	4.6
Referral for community resources	0.7	0.8	2.9	0.2
Referral for advocacy			0.9	0.3
Financial counselling	0.3		0.5	1.0
Referral for accommodation	0.4		2.1	0.7
Miscellaneous other services (3)	0.7	0.6	1.0	1.3
Other (4)	14.3	12.6	8.8	12.2
Total	100.0	100.0	100.0	100.0

**Notes**

(1) Includes both right-censored and uncensored spells of support and is measured as exit date (or last day of the quarter) less support start date.

(2) Unless otherwise specified, all client information relates to formal clients on TASS and Re-entry Link

(3) Other services include driver's licence; referral – substance abuse; referral – counselling; referral – intra-prison; referral – financial counselling; identification assistance; referral for employment/training; referral for remote community support.

(4) The 'other' category refers to any service provided to the client other than those included in the list of services itemised in the Department of Corrective Services TASS and Re-entry Link data portal in which agencies enter their data.

Accommodation support services represent by far the largest service type category, comprising 32.9 per cent of TASS client outputs and 22.1 of Re-entry Link client outputs in 2005-06. The provision of information to clients is also a major service provided in both programs. In the Re-entry Link program, this represented 25.6 per cent of client outputs in 2004-05 and 19.5 per cent of all services provided in 2005-06. In the TASS program, information services represented 30.4 per cent of services in 2004-05, but only 8.5 per cent of services in 2005-06. There is no apparent reason for such a large drop between the two years. It is possible that the need to provide information on services in the community may have decreased over time as clients become more informed in prison prior to release of what services are available. The other main service areas accessed by TASS and Re-entry Link clients are advocacy, support planning, parole support and life skills development. 'Other' support services are also a major service type and may include health and mental health services such as GP, physiotherapy, psychology, psychiatry or specialist appointments, support with legal issues, domestic violence or booking in meeting times, for example.

Further insights into the services provided by agencies to TASS and Re-entry Link clients are available from the *Client Survey* (see Appendix A Table A10). The Client Survey data indicates that agencies provide a wide range of services focused around the following key areas: accommodation, drug/alcohol support/intervention, employment and training support, financial assistance and support to obtain or maintain a government income support payment, transport related support services and health/medical services.

### **3.7 Conclusion**

This chapter provided a brief overview of the operation of the SAAP, SHAP, PRSAP and TASS/Re-entry Link homelessness prevention and support programs operating in Western Australia, using administrative data and findings from the study's two client surveys. The following chapter will examine client outcomes from the *Client Survey* and program administrative sources.

Our study of the background of clients from the various programs reveals a number of things. First, relative to their numbers in the Western Australian population, Aboriginal people are heavily over-represented in each of these programs. These figures underline that Indigenous people are faced with homelessness and the threat of eviction at rates much greater than the non-Aboriginal population, but also suggest that programs are effectively targeting those in need. Second, a high proportion of clients are women. One of the fundamental reasons is the prevalence of domestic and family violence perpetrated against women. Domestic violence experienced by women and children is the main presenting reason for clients seeking support (27 per cent) in the SAAP. Third, what is also evident from our analysis of the administrative data and the *Client Survey* is that clients present to agencies providing homelessness services with a broad range of needs and, in response, agencies provide them with a wide range of services and referrals to other agencies. The significant range of services that SAAP agencies provide to their clients in response to their needs has been evident from the SAAP NDC data for some time. The needs of clients go well beyond the immediate referral reasons for support, and the support provided often goes well beyond issues directly related to tenancy and accommodation.

## 4 THE EFFECTIVENESS OF HOMELESSNESS PROGRAMS

### 4.1 Introduction<sup>19</sup>

This chapter presents findings on client outcomes of programs drawn from three sources: the *Client Survey*, the *Community Centre Survey* and administrative data sources. Client outcomes are assessed according to the following indicators:

- Housing/shelter, accommodation and tenancy management;
- Source and level of income;
- Labour market outcomes;
- Client perceptions of effectiveness of services and changes in knowledge among clients;
- Levels of satisfaction with various dimensions of life such as housing and safety;
- Quality of life outcomes;
- Utilisation of health and justice facilities.

These outcomes are measured at three points: (1) entry to the support period, (2) three months and/or on exit from support, and (3) twelve months following the first survey date.

As stressed previously, it is important to consider client outcomes against the background, needs and histories of individual clients. In Section 4.2, we describe the socio-demographic background of clients while in Section 4.3 we profile their homelessness histories and needs. In Section 4.4, we present results on client outcomes using data drawn from the *Client Survey* and the *Community Centre Survey* and from administrative sources.

A series of appendixes in Volume 2 of the report provide further analysis and supplementary tables drawn from the *Client Survey* and the *Community Centre Survey* on client background, needs and their utilisation of health and justice services.<sup>20</sup>

### 4.2 Socio-demographic background of clients

In this section, we briefly provide a review of the household formation, parental home, educational attainment outcomes and income and labour force backgrounds of *Client Survey* study participants at the point of entry to support Wave 1 and of *Community Centre Survey* participants.<sup>21</sup>

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<sup>19</sup> Louise Brady organised and undertook much of the data entry for the Client Survey and the Community Centre Survey. Jade Harman assisted in the data entry process. Emma Ferguson helped compile material for Chapter 4, particularly with respect to the Re-entry Link and TASS programs. Nardi Ling undertook fieldwork with respect to the Client Survey follow-up process.

<sup>20</sup> The relevant Appendixes are:

Appendix B	Client Survey: Client Socio-Demographic Background, Needs and Outcomes
Appendix C	Client Survey: Client Utilisation of Health and Justice Services
Appendix D	Community Centre Survey: Supplementary Tables
Appendix E	Community Centre Service Outputs and Clients' Histories of Homelessness
Appendix F	Community Centre Client Use of Health and Justice Services.

<sup>21</sup> See Appendix B Table B2 and Appendix D Table D1 for relevant details.

*Household composition:* Single men, single women and women with children represent the bulk of respondents to the *Client Survey*. Clients in couple family situations comprise only around 10 per cent of respondents. The vast majority of the respondents to the *Community Centre Survey* were male (76 per cent) and were born in Australia (78 per cent). Some 17 per cent of clients were Aboriginal. Over half (60 per cent) of the *Community Centre Survey* respondents were aged between 26 and 45 years.

*Parental background:* Less than half (47.0 per cent) of all *Client Survey* participants were living with both their mother and father at the age of 14. In comparison, 80 per cent of the Australian population were living with both parents at age 14 (Wave 1 *Household, Income and Labour Dynamics in Australia* (HILDA) survey). Around 30 per cent of participants at the age of 14 lived with foster parents, with friends/acquaintances or other relatives, on their own, in an institutional/residential setting, sleeping rough or in some other arrangement.

*Educational attainment:* Over half (53.2 per cent) of respondents to the *Client Survey* held a post-school qualification, which is roughly comparable to the Australian population aged 25 to 44.<sup>22</sup> Educational attainment outcomes per se, therefore, do not represent the key point of differentiation between this population and the broader Australia population. However, only 37 per cent of respondents to the *Community Centre Survey* had a post-school qualification. Respondents to the *Client Survey* are more likely than the general population to hold a trade certificate but less likely to hold a degree or diploma.<sup>23</sup> The pattern of educational attainment differs between the client groups. In the male-only client respondent client groups, SAAP-Single Men services and the TASS and Re-entry Link programs, the holding of trade certificates is relatively high (around 45 per cent). The proportion of degree-holding clients was highest for SAAP-DV and Single Women services sector and the female dominated PRSAP.

*Sources of income:* The vast majority of clients, 83.8 per cent, relied on government income support payments as their main source of income, while 5.2 per cent reported no income at all. Some 8.1 per cent reported that wages and salary income represented their main source of income. Reliance on government income support payments was lowest for SAAP-Single Men service clients where over 20 per cent reported that wages and salary income was their main source of income. Reflecting the heterogeneity of this group, 12.5 per cent reported that they received no income at all, twice the sample average of those reporting no income.

*Income levels:* The majority of *Client Survey* respondents (67.7 per cent) are in very low-income bands receiving less than \$400 per week in gross income on entering the service.<sup>24</sup> A further 25 per cent received between \$400 and \$600 per week. The vast majority receive income at levels consistent with receipt of relevant income support payments alone, but without any additional income from other sources.

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<sup>22</sup> At the time of the 2006 Census, 52.2 per cent of those in this age cohort held a post-school qualification (Australian Bureau of Statistics (ABS) 2007a). Noted that this estimate is based on those who adequately described the qualification they held. In terms of all those in this age cohort who stated they held a post-school educational qualification, the figure is higher at 63.0 per cent.

<sup>23</sup> Around 22 per cent of *Client Survey* study participants hold a trade certificate, 6.3 hold a degree, 5.7 per cent hold a diploma and 19.0 per cent hold some 'other post-school qualification'. Among the Australian population aged 25 to 44, 20.2 per cent held a certificate at the time of the 2006 Census, 23.4 per cent held a degree, graduate degree or diploma or postgraduate degree, 8.7 per cent held a diploma and did not state the type of qualification they held or did not adequately describe the qualification they held (ABS 2007a).

<sup>24</sup> Recorded income for TASS and Re-entry Link clients reflects current income at the time of the survey rather than income on entry to the service.

*Labour force status:* The jobless rate (the proportion of the sample without a job) among *Client Survey* respondents is 84.6 per cent. This figure is 95 per cent for *Community Centre Survey* respondents. The corresponding employment rate is 15.4 per cent for *Client Survey* respondents and 5 per cent for *Community Centre Survey* respondents. The majority of those who are employed in the *Client Survey* hold part-time low-paid jobs. The labour force participation rate across all clients is 56.2 per cent. As would be expected, employment and labour force participation rates are well below the national average for comparable age cohorts, while unemployment rates are well above. Table 4.1 presents results for the employment, unemployment and labour force participation rates for those aged 25 to 44, the most relevant age comparison for the respondents to both surveys, in February 2007 (ABS 2007b).

**Table 4.1: Labour force outcomes, by age, gender and social marital status, Australia, February 2007.**

	<b>Aged 25-34</b>				<b>Aged 35-44</b>			
	<b>Men</b>		<b>Women</b>		<b>Men</b>		<b>Women</b>	
	<b>Married</b>	<b>Not married</b>	<b>Married</b>	<b>Not married</b>	<b>Married</b>	<b>Not married</b>	<b>Married</b>	<b>Not married</b>
Employment-to-population rate	93.4	82.3	65.7	71.9	93.0	77.9	71.8	69.1
Unemployment rate	2.6	6.9	4.8	8.0	1.9	5.4	3.9	8.6
Labour force participation rate	95.9	88.5	69.0	78.2	94.8	82.3	74.7	75.6

Note: For the purposes of the above, those married include those in a registered marriage or de facto marriage relationship.

Source (ABS 2007b).

SAAP-Single Men and PRSAP clients had the highest employment rates. Approximately one-quarter of clients in both programs were in employment, although this was largely low-income and part-time. SAAP-DV and Single Women study participants had the lowest employment rate, with less than 5 per cent employed.

*Labour market histories:* Most *Client Survey* respondents had not been employed in the recent past. Forty-four per cent were last employed two years or more ago; a further 14.0 per cent were last employed between one to two years ago. Of the remaining respondents, 28 per cent were without work but had been employed in the last year and 13.4 per cent were working. Eighty per cent of *Community Centre Survey* respondents were last employed two years or more ago.<sup>25</sup> On average, it was 11 years since they last had a job. Around a fifth (19.1 per cent) of SAAP-Single Men clients were employed and, of those who were not working, 55.3 per cent had held a job in the last year, while a further 8.5 per cent had held a job between one and two years ago. In other words, the overwhelming majority of SAAP-Single Men service respondents have experienced some form of attachment to a job within a two-year period prior to the start of their current support period. This provides hope that once the initial source of crisis is resolved these clients can obtain employment.

*Education and training:* The vast majority of *Client Survey* respondents were not enrolled in training or education programs or courses. No *Community Centre Survey* respondents reported they were enrolled in training or education programs. Interestingly, a relatively high proportion of TASS and Re-entry Link clients were engaged in external study or education/training courses prior to release from prison.

<sup>25</sup> Only 50 per cent of *Community Centre Survey* respondents completed this question.

## 4.3 Homelessness histories and client needs

### 4.3.1 Homelessness and recent accommodation histories

When clients enter a given support period, they do so from different lifetime experiences of homelessness. Some enter with a significant experience of primary, secondary and tertiary homelessness stretching back to childhood years, while others enter with no experience of homelessness. Long experiences of homelessness may correlate with high and complex needs and may influence the likelihood of positive outcomes from support. We analyse participants' history of homelessness at three points: (1) homelessness experienced prior to the age of 18, (2) homelessness experienced from the age of 18, and (3) the history of homelessness in the year prior to the client receiving support.

We begin with early life experiences of homelessness prior to the age of 18. In the *Community Centre Survey* and Wave 1 of the *Client Survey*, participants were asked to estimate the number of years/weeks/days spent, prior to the age of 18, in the following mutually exclusive accommodation states:

- No shelter (e.g. sleeping rough, living in an abandoned building);
- Temporary accommodation (e.g. couch surfing with an extended family member or friend, boarding or rooming house, hostel, caravan);
- Crisis accommodation (e.g. SAAP/CAP);
- Institutional or residential accommodation (e.g. jail, residential out-of-home care).

The 'no shelter' category corresponds directly to that of primary homelessness, while 'crisis accommodation' is a component of secondary homelessness. There is no one-to-one correspondence between 'temporary accommodation' and secondary/tertiary homelessness, but the degree of correspondence in practice is likely to be high.

Study participants were also asked to record the number of years/weeks/days spent in an unsafe living environment or inadequate accommodation. An unsafe living environment is defined in the *Client Survey* 'as living in an environment that is unsafe as a result of domestic/family or other forms of violence'. Inadequate accommodation refers to accommodation lacking the basic amenities (e.g. running water) accepted in the Australian community. Very few clients indicated that they had experienced inadequate accommodation environments, but caseworkers/researchers completing the survey with clients indicated that this item may not have been well understood. Therefore, we do not examine this item any further.

As evident in Table 4.2, around a quarter of all *Client Survey* respondents (24.7 per cent) experienced at least one episode of primary homelessness prior to the age of 18. For *Community Centre Survey* respondents this figure was much higher, with 44 per cent reporting at least one spell of primary homelessness in childhood/adolescence. Overall, 42.6 per cent of *Client Survey* respondents had experienced one or more of a broader set of 'precarious' or 'unstable' accommodation states – including no shelter, temporary accommodation, crisis accommodation or institutional or residential living – by the age of 18. This figure for the *Community Centre Survey* sample was 61 per cent. *Client Survey* respondents who experienced no shelter, temporary accommodation, crisis accommodation or institutional or residential living prior to the age of 18, on average, spent 16 per cent of their time in such a situation. For respondents to the *Community Centre Survey* this figure was 33 per cent.

**Table 4.2: History of homelessness, institutional/residential living and unsafe environments prior to the age of 18, wave 1 client survey**

	<i>SAAP-DV and single women</i>	<i>SAAP- Single men</i>	<i>SAAP- Families &amp; general</i>	<i>SHAP</i>	<i>Private rental support</i>	<i>TASS and re-entry</i>	<i>Total</i>
<b><i>Incidence (per cent) (n=168)</i></b>							
No shelter	18.9	19.1	54.5	13.3	23.5	30.8	25.0
Temporary accommodation	37.8	12.8	54.5	33.3	35.3	46.2	32.7
Crisis accommodation	13.5	19.1	45.5	0.0	11.8	38.5	19.6
Institutional or residential accommodation	13.5	8.5	36.4	13.3	5.9	38.5	15.5
Total: No shelter, temporary, SAAP/emergency accommodation or institutional/residential living	45.9	27.7	68.2	40.0	44.1	46.2	42.9
Unsafe living environment	32.4	8.5	50.0	26.7	29.4	46.2	28.0
<b><i>Duration (n=168)</i></b>							
<i>Clients who had experienced a period of no shelter, temporary, SAAP/crisis and institutional/residential accommodation</i>							
Per cent of relevant period of lifetime in no shelter, temporary, SAAP/crisis and institutional/residential accommodation (%) (median)	5.8	2.7	23.1	11.1	10.5	5.6	11.1
Per cent of relevant period of lifetime in no shelter, temporary, SAAP/crisis and institutional/residential accommodation (%) (mean)	10.2	12.2	26.8	20.0	13.8	9.5	15.4
Years (median)	1.0	0.5	4.2	2.0	1.9	1.0	2.0
Years (mean)	1.8	2.2	4.8	3.6	2.5	1.7	2.8
<i>Clients who had experienced an unsafe living environment</i>							
Per cent of relevant period of lifetime in unsafe living environment (%) (median)	8.3	5.6	38.9	2.1	11.1	11.1	11.1
Per cent of relevant period of lifetime in unsafe living environment (%) (mean)	26.2	13.1	42.7	2.8	22.6	11.2	24.6
Years (median)	1.5	1.0	7.0	0.4	2.0	2.0	2.0
Years (mean)	4.7	2.4	7.7	0.5	4.1	2.0	4.4

Note: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'.

**Table 4.3: History of homelessness, institutional/residential living and unsafe environments after the age of 18, wave 1 client survey**

	<i>SAAP-DV and single women</i>	<i>SAAP-Single men</i>	<i>SAAP-Families &amp; general</i>	<i>SHAP</i>	<i>Private rental support</i>	<i>TASS and Re-entry</i>	<i>Total</i>
<b><i>Incidence (n=168)</i></b>							
No shelter	45.9	68.1	61.9	33.3	13.9	66.7	47.6
Temporary accommodation	67.6	68.1	81.0	53.3	27.8	83.3	60.7
Crisis accommodation	75.7	93.6	76.2	20.0	30.6	66.7	65.5
Institutional or residential accommodation	13.5	42.6	42.9	20.0	11.1	100.0	31.5
Total: No shelter, temporary, SAAP/emergency accommodation or institutional/residential living	97.3	97.9	95.2	66.7	38.9	100.0	82.1
Unsafe living environment	45.9	31.9	42.9	40.0	22.2	66.7	37.5
<b><i>Duration (n=168)</i></b>							
<i>Clients who had experienced a period of no shelter, temporary, SAAP/crisis and institutional/residential accommodation</i>							
Per cent of relevant period of lifetime in no shelter, temporary, SAAP/crisis and institutional/residential accommodation (%) (median)	2.5	8.1	31.7	16.7	15.1	49.9	10.1
Per cent of relevant period of lifetime in no shelter, temporary, SAAP/crisis and institutional/residential accommodation (%) (mean)	10.2	21.0	37.6	19.0	26.7	45.5	22.3
Years (median)	0.5	0.8	3.1	2.0	2.6	6.4	1.2
Years (mean)	1.9	4.0	0.8	2.0	4.2	6.5	3.6
<i>Clients who had experienced an unsafe living environment</i>							
Per cent of relevant period of lifetime in unsafe living environment (%) (median)	12.5	10.1	29.5	3.3	18.1	13.3	13.3
Per cent of relevant period of lifetime in unsafe living environment (%) (mean)	13.9	9.4	46.2	9.5	21.9	22.6	19.0
Years (median)	1.0	1.8	5.0	0.5	2.2	2.0	2.0
Years (mean)	2.3	1.6	6.9	1.2	4.1	3.6	3.1

Note: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'.

Study participants in SAAP-Families and General services were the most likely to have spent time in precarious accommodation states prior to the age of 18. Over half of all client respondents in this SAAP sub-sector have experienced at least one episode of no shelter prior to the age of 18; likewise in terms of temporary and crisis accommodation. An important factor influencing the higher incidence of homelessness in the SAAP-Families and General services sub-sector is that the vast majority of such respondents are Indigenous. Indigenous people are much more likely to experience extreme disadvantage than non-Indigenous people are.

The *Client Survey* and *Community Centre Survey* also addressed the question of time spent in unsafe living environments, e.g. where domestic or family violence was evident. Around the same proportion of clients who had experienced primary homelessness prior to the age of 18 (28.4 per cent) also experienced an unsafe living environment prior to the age of 18. Significant variation is evident across the program categories and sub-categories. The prevalence of unsafe living environments experienced prior to the age of 18 is highest among those in the SAAP-Families and General services sector (57.9 per cent of client respondents) and among TASS and Re-entry Link clients (50.0 per cent). It is also relatively high among current SAAP-DV and Single Women clients (32.4 per cent).

The prevalence of primary homelessness, other forms of precarious accommodation and unsafe living environments increases from the age of 18. As indicated in Table 4.3, around half of all *Client Survey* participants (46.9 per cent of clients) experienced at least one spell of primary homelessness from the age of 18, up from 24.7 per cent prior to the age of 18. The vast majority (83 per cent) of *Community Centre Survey* respondents had at least one spell of primary homelessness in adulthood, while only 44 per cent reported at least one spell in childhood/adolescence. Over 80 per cent of *Client Survey* respondents had experienced one form of precarious accommodation or another from the age of 18. The profile of SAAP-Single Men service clients is particularly interesting. The prevalence of primary homelessness among such clients prior to the age of 18 is lower than for the client respondent group as a whole. However, from the age of 18, the incidence of primary homelessness is well above average. Sixty-eight per cent of SAAP-Single Men respondents experience at least one spell of primary homelessness from the age of 18, relative to the incidence of primary accommodation from the age of 18 across all program categories of 46.9 per cent. They also experience a higher incidence of precarious accommodation categories from the age of 18 than study participants from other program categories.

The prevalence of spells of primary homelessness and of precarious accommodation outcomes from the age of 18 is also high for each of the remaining SAAP categories (SAAP-DV and Single Women and SAAP-Families and General) and TASS and Re-entry Link clients. The prevalence of primary homelessness and other forms of precarious accommodation outcomes is lowest for private rental tenants at risk of homelessness supported through the PRSAP. Some 13.9 per cent of PRSAP respondents experienced at least one spell of primary homelessness from the age of 18, and 38.9 per cent experienced at least one episode of precarious accommodation from the age of 18.

The prevalence of both primary homelessness and other forms of precarious accommodation is considerably higher for those supported by SHAP than for private rental tenants, indicating that the two groups have, on the whole, experienced somewhat different housing trajectories over their lifetimes. However, it should be recalled that SHAP covers not only public housing tenants at risk of becoming homeless, but also those seeking accommodation support through the Homeless

Advisory Service, including those coming from primary homelessness, who are accommodated in a range of housing tenure positions.

Table 4.4 summarises findings from the Wave 1 *Client Survey* 12-month accommodation calendar. Clients were asked to specify the accommodation states they were located in over the 12 months prior to participating in the survey. Over a fifth of respondents in each of the three relevant SAAP categories had experienced a period of primary homelessness in the 12 months prior to the completion of the survey. The highest incidence of primary homelessness is evident for clients of SAAP-Single Men services and for client of Community Support Centres (39 per cent). No clients in the PRSAP or the TASS and Re-entry Link programs experienced primary homelessness in the year prior to support. However, both programs are conditioned on being in shelter prior to support being provided and beyond; PRSAP clients are by definition in private rental accommodation when support is provided, and TASS and Re-entry Link clients are in jail. This obviously limits the window during the 12 months prior to the completion of the survey when such clients can potentially be primary homeless.<sup>26</sup> Around half of all SAAP clients lived in temporary accommodation at some stage in the year prior to the completion of the survey.

Around half of all SAAP-DV and Single Women clients (52.6 per cent) experienced an unsafe living environment at some time in the year prior to the interview. This estimate is likely to understate the proportion of such clients experiencing violence in the home prior to the support period and may reflect the fact that not all respondents completed this element of the 12-month calendar in an appropriate manner. The *Client Survey* utilised the needs/support services structure of the SAAP National Data Collection (NDC) Client Form. Evidence from this indicates that 81.1 per cent of SAAP-DV and Single Women client respondents were reported to have domestic/family violence as a presenting reason for seeking assistance.

Table 4.6 also provides evidence on the accommodation position of the *Client Survey* respondents immediately prior to the beginning of the support period and at the point of the survey. The responses provide evidence of the transitions that accompany the provision of support. Sharp differences are evident between the various programs in terms of these transitions. In the case of SAAP-Single Men clients, more than a quarter moved from primary homelessness to SAAP accommodation. A further 12.8 per cent were in temporary accommodation prior to support, 10.6 per cent were in institutional/residential living, and 12.8 per cent were in other SAAP/CAP or emergency accommodation. Another way of viewing the same results is that a significant majority of SAAP-Single Men clients (63.9 per cent) were in non-permanent accommodation when they began their SAAP support period.

Almost the same proportion of SAAP-Families and General services clients (61.2 per cent) were in non-permanent accommodation when they began their SAAP support period. The difference between the two groups is that, compared to SAAP-Single Men, a much higher proportion of SAAP-Families and General services made the transition from temporary accommodation to SAAP-based accommodation. The most obvious explanation for this is that for many SAAP-Families and General clients, extended Indigenous family networks operate to provide support to family members who would otherwise be in primary homelessness.

The accommodation transitions of SAAP-DV and Single Women are more varied than the other two SAAP sectors. While a significant proportion (43.2 per cent) move from primary, secondary and tertiary homelessness into supported accommodation, the

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<sup>26</sup> A significant minority of PRSAP or TASS and Re-entry Link respondent clients, however, had experienced a spell of temporary accommodation prior to the client interview.

majority make the transition from various forms of permanent accommodation to SAAP accommodation; principally private rental accommodation (37.8 per cent) and owner-occupied housing (10.8 per cent). The different pattern of accommodation transitions for SAAP-DV and Single Women services clients occurs because there are incidences of domestic and family violence across all housing tenure positions, and violence in the home represents the main presenting reason for clients in this service category.

The accommodation transitions of the non-SAAP-based programs reflect to a large degree the housing tenure eligibility requirements of these programs. The most important element of the SHAP program is tenancy support for existing public housing tenants at risk of eviction and homelessness. A second much smaller component is targeted at those who are homeless or at imminent risk of homelessness from various tenure categories, who have contacted the Homeless Advisory Service administered by the DHW and who receive support through community service providers to obtain and maintain accommodation (in any tenure, but particularly private rental accommodation). This group is significantly over-represented in the *Client Survey* sample, comprising a little more than half of all SHAP clients. A final group of SHAP clients receive support on entry to public housing following a period of SAAP-based support.

Reflecting the different types of SHAP clients and the structure of the *Client Survey* sample, around one-third of SHAP clients were in public housing prior to the beginning of the support period, a further third were in primary, secondary/tertiary homelessness and the final third in private rental housing and other forms of accommodation. At the point of the Wave 1 interview, all SHAP clients were in permanent accommodation: 56.3 per cent in private rental dwellings, 37.5 per cent in public housing and 6.3 per cent in other forms of accommodation.

As expected, given the nature of the program, the vast majority of PRSAP client respondents were in private rental accommodation prior to support and in private rental accommodation at the point of the Wave 1 *Client Survey*. Likewise, the vast majority of TASS and Re-entry Link clients (83.3 per cent) were in prison prior to support (a further 16.7 per cent responded that they were in temporary accommodation), while over 90 per cent were in accommodation supported by Re-entry Link providers or in fixed-term public housing leases at the time of the Wave 1 *Client Survey* interview.

We also asked respondents questions in relation to the number of times they had moved house over the last two years and the extent to which their children moved schools (see Appendix B Table B3). For the various SAAP sectors identified, the median response category is three to five residential moves over the last two years. Over a quarter of SAAP clients lead what appears to be a transient lifestyle, defined arbitrarily as six or more moves in a two-year period. Very high levels of residential mobility are most evident in the case of SAAP-Single Men services clients, where over 20 per cent experienced six to 10 moves and a further 13 per cent experienced more than 10 moves over the last two years. A much lower level of residential mobility is evident in the non-SAAP-based homelessness programs.

Children in families who have a large number of moves of schools may experience a disrupted schooling environment. This may result in poorer educational attainment outcomes. In the SAAP-based programs, a significant number of clients with children experienced frequent moves occasioning changes in schools. In the case of SAAP-DV and Single Women services clients, 44.5 per cent had children who were required to undertake three or more school moves over a two-year period.

**Table 4.4: Accommodation outcomes prior to support, wave 1 client survey (per cent)**

	<i>SAAP-DV and single women</i>	<i>SAAP- Single men</i>	<i>SAAP- Families &amp; general</i>	<i>SHAP</i>	<i>Private rental support</i>	<i>TASS &amp; Re-entry</i>	<i>Total</i>
Twelve month period prior to the completion of the survey (n=175)							
At least one spell of no shelter	21.1	34.0	26.3	12.5	0.0	0.0	18.3
At least one spell of temporary accommodation	50.0	44.0	73.7	25.0	15.4	30.8	39.4
At least one spell of SAAP/CAP or other emergency accommodation	57.9	66.0	63.2	6.3	2.6	15.4	40.6
At least one spell of institutional or residential living	2.6	12.0	5.3	6.3	0.0	69.2	10.3
A spell of no shelter, temporary, SAAP/emergency or institutional or residential accommodation	78.9	84.0	84.2	37.5	15.4	76.9	62.9
A spell of unsafe living	52.6	0.0	31.6	6.3	5.1	0.0	16.6
Accommodation immediately prior to the support period (n=173)							
No shelter	8.1	27.7	4.8	6.7	0.0	0.0	10.4
Temporary accommodation	24.3	12.8	42.9	20.0	7.9	13.3	18.5
Institutional/residential living	0.0	10.6	0.0	0.0	0.0	86.7	10.4
SAAP/CAP or other emergency accommodation	10.8	12.8	4.8	6.7	0.0	0.0	6.9
Owner-occupied housing	8.1	0.0	0.0	0.0	0.0	0.0	1.7
Private rental accommodation	37.8	23.4	4.8	26.7	89.5	0.0	37.0
Public housing	2.7	2.1	19.0	33.3	2.6	0.0	6.9
Other accommodation	8.1	10.6	23.8	6.7	0.0	0.0	8.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Current accommodation status (n=175)							
No shelter	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary accommodation	0.0	4.3	9.5	0.0	0.0	0.0	2.3
Institutional/residential living	0.0	0.0	0.0	0.0	0.0	6.7	0.6
SAAP/CAP or other emergency accommodation	97.3	93.6	71.4	0.0	5.1	53.3	60.0
Owner-occupied housing	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private rental accommodation	0.0	0.0	0.0	56.3	89.7	0.0	25.1
Public housing	2.7	2.1	4.8	37.5	5.1	40.0	9.7
Other accommodation	0.0	0.0	14.3	6.3	0.0	0.0	2.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Public housing access difficulties – clients not currently living in long-term tenancy arrangements							
Client has an existing debt to Homeswest (n=116)	16.7	14.0	50.0	83.3	50.0	7.7	26.7
Client has a debt management plan in place with Homeswest (n=114)	21.7	7.0	58.3	100.0	55.6	7.7	27.2
Client is precluded from accessing Homeswest accommodation due to poor tenancy history (n=113)	8.7	2.3	20.0	40.0	5.6	7.1	8.0

Note: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'.

### 4.3.2 *Client needs*

Both surveys incorporated a number of measures of the needs of respondent clients. The first measure in the *Client Survey* is the prevalence of self-assessed mental health conditions, physical health conditions and drug and alcohol problems. The second is the caseworker's assessment of the client's need for intensive or ongoing support, or both. This is based around a considerably modified version of the Thomson Goodall needs form.

Figure 4.1 and Table 4.5 provide evidence of the prevalence of mental and physical health conditions among clients of the various programs (excluding community support centres). The *Client Survey* asked a series of questions about the client's mental and physical health. The question regarding mental health was: 'Does the client currently experience a mental health condition?' Clients could choose from the following options:

- Depression (or other depressive disorders);
- Bipolar disorders;
- Schizophrenia (or other psychotic disorders);
- Anxiety disorders (including post-traumatic stress disorders);
- Other condition(s) (please specify.....);
- Yes, but no specific diagnosis is available (please specify.....).

The list does not include drug and alcohol use disorders, and the results should be read as exclusive of such disorders. In the *Community Centre Survey*, clients were simply asked if they had any mental health issues.

Across all program categories, a very high proportion of study participants reported a mental health condition. Around 44 per cent of respondents to the two client surveys reported a mental health condition. This rate is many times higher than that of the general population. In the 2004-05 ABS *National Health Survey*, 11 per cent of Australians reported a long-term mental or behavioural problem. In the 1997 *National Survey of Mental Health and Wellbeing of Adults*, where diagnostic criteria were used to assess mental health conditions, 18 per cent of respondents were assessed as experiencing a mental health disorder at some time during the twelve months prior to the survey (ABS 2006b).<sup>27</sup>

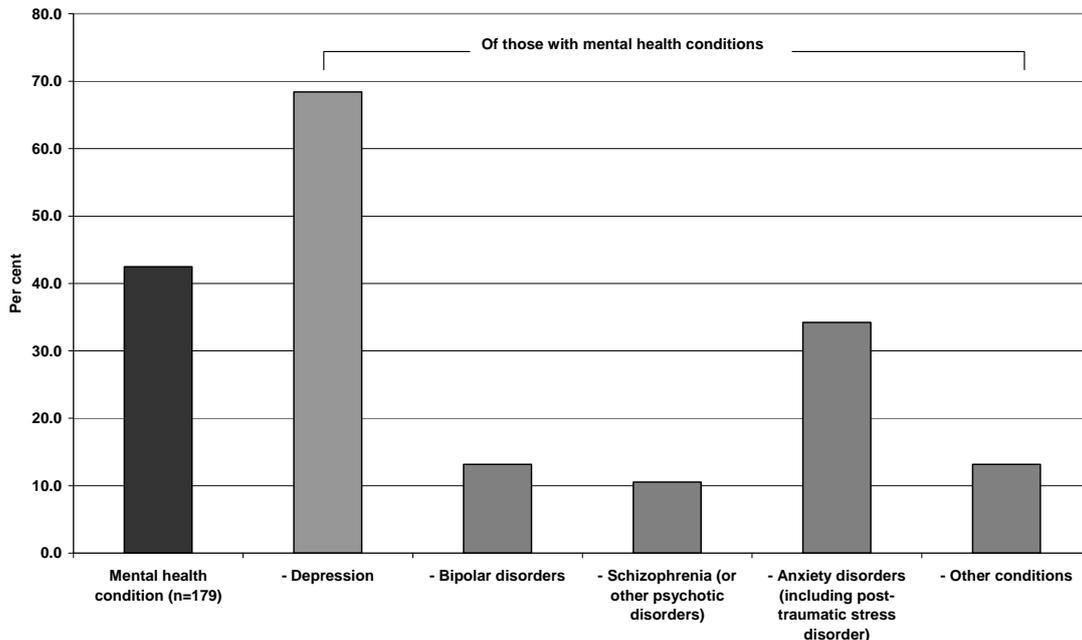
SAAP-DV and Single Women services sector study participants exhibit the highest reported incidence of mental health conditions, with 60.5 per cent currently experiencing a mental health condition. Half of SHAP and PRSAP clients also report experiencing a mental health condition. The lowest reported incidence is in the SAAP-Single Men services sector where 29.2 per cent of clients report that they experience a mental health condition.

Depression represents the most common mental health condition; 67.1 per cent of those with mental health conditions reported that they experience depression. Anxiety disorders (including post-traumatic stress disorder) also represent a major mental health condition; in the SAAP-DV and Single Women services category, 47.8 per cent of client respondents report experiencing an anxiety condition. Of those experiencing a mental health condition, 68.9 per cent are currently taking medication, while 42.1 per cent receive support from a mental health service or specialist.

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<sup>27</sup> However, it should be noted that these estimates are not directly comparable to those from the *Client Survey*, as the ABS defined alcohol use and drug use disorders as mental health conditions.

**Figure 4.1: Mental health conditions, wave 1, client survey**



In addition to mental health conditions, the client surveys addressed two further health needs: (1) the prevalence of long-term physical health conditions (examples given include cancer, diabetes, deafness, heart attack) and (2) client concerns of alcohol/drug use.

- Close to a third (31.2 per cent) of all respondents to the *Client Survey* experience a long-term physical health condition, with prevalence rates not differing significantly between the program categories. Sixty-three per cent of respondents to the *Community Centre Survey* experience a long-term physical health condition.
- Around a fifth (20.7 per cent) of respondents to the *Client Survey* expressed concerns about their own alcohol and drug use, with the highest rates being for TASS and Re-entry Link clients. Fifty-four per cent of these clients reported concern about their own alcohol and drug use. Twenty-eight per cent of respondents to the *Community Centre Survey* expressed concerns about their own alcohol and drug use.
- Across all program categories, 35.2 per cent of respondents report more than one of the following: a mental health condition, a long-term physical health condition, and client concern over alcohol and drug use. Dual diagnosis is highest for those in the SAAP-DV and Single Women service sector (42.1 per cent) and the SHAP category of respondents (43.8 per cent).

The second method used in the *Client Survey* to quantify the level of client needs was based on a considerably modified version of the Thomson Goodall needs assessment form (Thomson Goodall Associates 2003). Caseworkers, who assess whether clients require intensive and/or ongoing support to meet a particular need, complete the *Client Survey* needs assessment instrument. The needs specified in the *Client Survey* are based on those listed in the Thomson Goodall form together with an additional item referring to sexual/gender issues. The specified needs are:

- Housing;
- Experiences of violence;

- Income and money management issues;
- Health, nutrition and hygiene;
- Access to appropriate services;
- Behaviour which is challenging to others;
- Personal safety and wellbeing;
- Sexuality and gender issues;
- Mental health issues;
- Alcohol and other drug use which impairs health and the ability to live independently;
- Disability issues;
- Accompanying children.

A significant majority of clients (70 per cent) were assessed as requiring intensive or ongoing support to obtain/maintain appropriate housing. Key housing indicators for they were assessed as requiring intensive or ongoing support or both were: financial issues; difficulties in accessing low-cost rental accommodation due to lack of supply; history of housing tenancy problems; housing eviction and termination notices; rental accommodation access barriers; multiple/long-term primary homelessness; and problems arising from extended family and friends staying over.

Caseworkers assessed around half of all study participants (48 per cent) as requiring intensive or ongoing support or both with income and money management issues. The main indicators included budgeting difficulties, outstanding debts, inadequate income and alcohol and drug misuse. Around 20 to 25 per cent of clients were assessed as requiring intensive and/or ongoing support in each of the remaining needs categories. For those assessed as requiring support with respect to their needs, the median number of major needs requiring intensive and/or ongoing support was three (mean 3.3). Around 40 per cent of clients were assessed as requiring intensive and/or ongoing support across four or more major needs. This indicates that a relatively high number of homelessness program clients present with multiple needs requiring intensive or ongoing support. SAAP-DV and Single Women client respondents were more likely than others to require such support across six or seven major needs categories.

A detailed analysis of the needs assessment evidence is provided in Appendix B.

**Table 4.5: Mental and physical health conditions and concerns of alcohol and drug use, wave 1 client survey 2006 (per cent)**

	<i>SAAP-DV and single women</i>	<i>SAAP- Single men</i>	<i>SAAP- General &amp; families</i>	<i>SHAP</i>	<i>Private rental support</i>	<i>TASS and Re-entry</i>	<i>Total</i>
<b><i>Mental health condition (n=179)</i></b>	60.5	29.2	27.3	50.0	53.8	25.0	42.5
<b><i>Clients with a mental health condition:</i></b>							
<i>Condition type (n=76)</i>							
– Depression	78.3	42.9	66.7	100.0	71.4	25.0	68.4
– Bipolar disorders	30.4	14.3	0.0	0.0	4.8	0.0	13.2
– Schizophrenia (or other psychotic disorders)	8.7	14.3	0.0	12.5	9.5	25.0	10.5
– Anxiety disorders (including post-traumatic stress disorder)	47.8	21.4	50.0	50.0	23.8	0.0	34.2
– Other conditions	17.4	28.6	0.0	0.0	4.8	25.0	13.2
<i>Medication and support services (n=74)</i>							
– Taking medication	69.6	71.4	60.0	85.7	71.4	25.0	68.9
– Receiving support from a mental health service or specialist	47.8	35.7	83.3	50.0	28.6	25.0	42.1
Long-term physical health condition (n=179)	36.8	31.3	27.3	37.5	25.6	18.8	30.2
<b><i>Client expresses concerns about their alcohol/drug use (n=175)</i></b>	21.6	22.9	9.1	12.5	15.8	64.3	21.7
<b><i>Client experiences more than one of: mental health condition, physical health condition, disability and client concerns over alcohol and drug use (n=175)</i></b>	42.1	36.0	27.3	43.8	35.9	18.8	35.4

Note: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'.

### 4.3.3 Satisfaction with various dimensions of life and clients' quality of life

The *Client Survey* included a set of questions on how satisfied respondents were with various aspects of life. The questions were comparable to a set of questions included in the HILDA Survey. The dimensions of life satisfaction addressed included:

- Housing;
- Employment;
- Financial situation;
- Safety;
- Feeling part of the community;
- Own health;
- The local neighbourhood;
- Ability to cope with serious problems;
- Overall satisfaction with life.

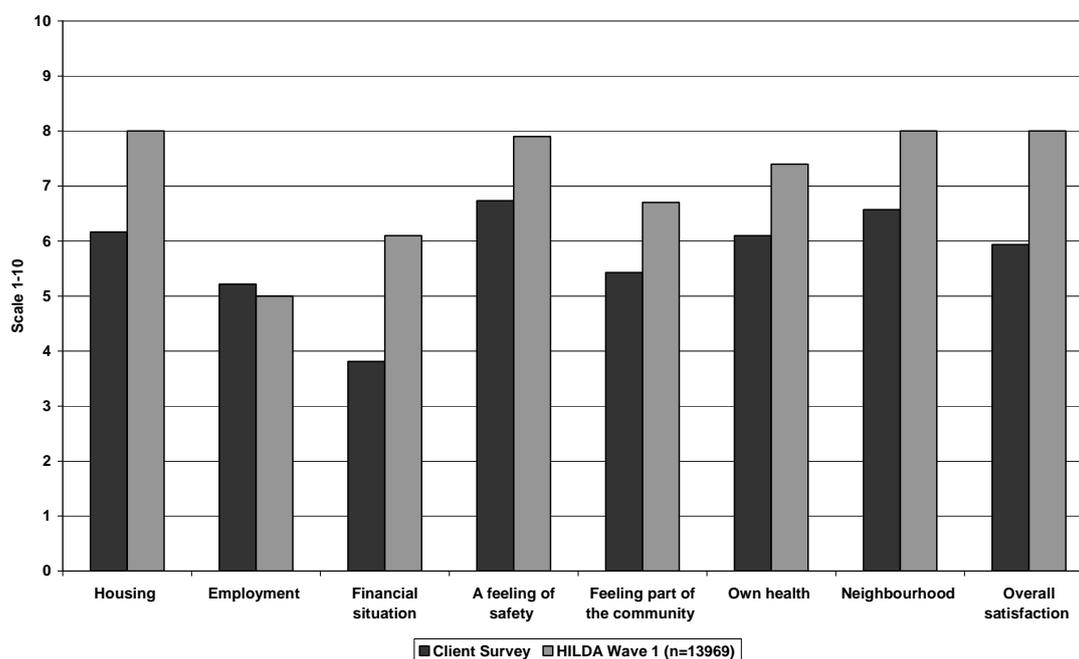
Figure 4.2 and Table 4.6 provide evidence on satisfaction with life outcomes for each homelessness program category. A comparison with outcomes for the Australian population derived from the HILDA Survey (Wave 1) is also given. Taking the HILDA results as representative of the Australian population, it is evident that homelessness program respondents report a level of satisfaction with various dimensions of life well below the norm. On a scale of 1 to 10, where 1 represents total dissatisfaction and 10 total satisfaction, the homelessness program client population levels of satisfaction with various dimensions of life is below that of the general population in each dimension and in terms of the overall quality of life. It must be remembered that the measurement of clients' satisfaction with life occurs after the client has entered the service. The evidence presented in the following section indicates that clients' satisfaction with life improves on entry to the service. We may conclude, therefore, that estimates of the position of clients immediately prior to entry are likely to be significantly lower than those reported here.

The most significant difference between the *Client Survey* results and those for the general population is to be found with respect to the financial and housing situation life satisfaction dimensions. A three-point deficit, using median satisfaction estimates, is evident for homelessness program clients relative to the Australian HILDA benchmark figure for both these items. Two point satisfaction deficits apply with respect to the 'own health' and 'feeling part of the community' items together with clients' overall life satisfaction. The smallest life satisfaction deficit experienced by homelessness program clients is with respect to their employment situation. This may relate to the fact that WA employment prospects have improved significantly in the past few years relative to 2001 when the first wave of HILDA was in the field.

The disaggregated program-level results reveal sharp differences across the various homelessness programs in clients' satisfaction with different dimensions of their life. In the case of the SAAP-DV and Single Women group, overall satisfaction with life lies below the general population average (6 relative to 8 on the median measure) but is above the general community average in the case of a feeling of safety (9 relative to 8). As indicated previously, domestic and family violence is a major presenting reason for SAAP support for this group of clients. The high levels of satisfaction with current safety outcomes, therefore, suggest that the provision of support has had very significant positive benefits on respondent clients' feeling of safety. We return to this

theme of changes in peoples' sense of wellbeing that support engenders further below.

**Figure 4.2: Satisfaction with various dimensions of life, wave 1, client survey**



There are several other notable findings from the *Client Survey* satisfaction with life outcomes. SHAP clients report satisfaction outcomes for housing that are above the average for the *Client Survey* as a whole, but poor outcomes across most other dimensions of life. The former finding suggests that SHAP clients value the security of tenure they experience as public housing tenants or as a result of their move into housing from a position of homelessness (in respect of the SHAP Homeless Advisory Service program). However, they report well below Australian community norm outcomes with respect to financial position, sense of safety and belonging and health. TASS and Re-entry Link clients also exhibit very poor outcomes with respect to financial situation and sense of belonging to their local community, which is particularly low.

The issue of the sense of wellbeing experienced by clients is also addressed in the *Client Survey* using the WHOQOL-BREF (Australian version) instrument. This comprises two overall quality of life items relating to overall quality of life (How would you rate your quality of life?) and health satisfaction (How satisfied are you with your health?) and a 24 item instrument. Results are reported in Table 4.7. Outcomes from these 24 questions are summarised into four broad domains:

- *Physical*: physical pain, need for medical treatment to function in daily life, energy for everyday life, ability to get around physically, sleep, ability to perform daily living activities and capacity for work.
- *Psychological*: enjoyment of life, the extent to which life is seen to be meaningful, the ability to concentrate, acceptance of bodily appearance, satisfaction with one's self, and frequency of negative feelings such as blue mood, despair, anxiety, depression.
- *Social relationship*: personal relationships, sexual activity and social support.
- *Environment*: based on questions on feelings of safety in daily life, how healthy the respondent's physical environment is, whether the respondent has enough

money to meet needs, availability of relevant information, opportunity for leisure activities, conditions of the respondent's living place, access to health services and satisfaction with transport options.

The WHOQOL-BREF (Australian version) results are consistent with the satisfaction with life findings reported above. Scores for *Client Survey* respondents fall generally around 20 per cent below those reported for an Australian norm-based study.<sup>28</sup> (As noted with respect to the results on clients' satisfaction with various dimensions of life, quality of life readings are after clients have received support from the program; quality of life outcomes prior to the provision of support are likely to be lower.) The mean quality of life outcome for homelessness program respondents is 3.4 (out of a possible 5) as compared with 4.3 for the Australian norm group. A much closer fit between the two groups is evident with respect to the question on overall health satisfaction where the *Client Survey* outcome (3.3) is only 8.3 per cent below the Australian norm outcome of 3.6.

Mean physical, psychological and environmental domain scores for the *Client Survey* group of respondents lie anywhere between 20 and 25 per cent below the Australian norm results. This deficit is greatest for the social relationship domain where the gap widens to around 30 per cent, suggesting a high level of disconnectedness from others experienced by homelessness program clients.

There is significant variation in quality of life outcomes across the homelessness programs. TASS and Re-entry Link study participant quality of life outcomes are well below those for other program groups, with the exception of the psychological domain indicator. SHAP respondents also typically display lower WHOQOL-BREF (Australian version) outcomes than for the respondent group as a whole. In the case of the social relationship domain indicator, SAAP-DV and Single Men, SHAP and TASS and Re-entry Link clients report outcomes well below those for the other client groups.

#### **4.4 Client outcomes: evidence from the client survey**

Client outcomes data was drawn from the *Client Survey* and the *Community Centre Survey* and administrative data (SAAP NDC report). This includes results from the follow-up phase of the *Client Survey*. Follow-up in the first phase of the project was via a 3-month follow-up survey or an exit survey. The exit and three month surveys use the same format.<sup>29</sup> Short-term clients were not required to complete an exit survey when they left support. The second set of results is from the 12-month follow-up of study participants.

The Client Survey and the Community Centre Survey collected somewhat different data on outcomes, given the different aims of the community support centres compared to the other programs that are the target of this study. The key immediate outcome for clients on entry to the major homeless prevention programs is that immediate housing and safety needs are being addressed, while for clients of community support centres the immediate outcomes are non-housing related material needs such as food, as well as interpersonal support and referrals to other services. In this section, we address in turn the following outcome areas: client wellbeing and issues facing them, housing and accommodation outcomes, and income and labour market outcomes.

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<sup>28</sup> The Australian norm results are drawn from a Victorian-based study of 'randomly selected community members weighted by socioeconomic status to achieve representativeness of the Australian population (n=396)' (Melbourne WHOQOL Field Study Centre 2000: 24).

<sup>29</sup> In the first phase of the follow-up process, clients completed a 3-month survey or an exit survey. Where long-term clients have previously completed a 3-month survey, they will subsequently complete an exit survey, typically around the nine-month point.

Table 4.6: Satisfaction with various aspects of life, wave 1 client survey

	<i>Wave 1 SAAP-DV and single women</i>	<i>Wave 1 SAAP- Single men</i>	<i>Wave 1 SAAP- Families &amp; general</i>	<i>Wave 1 SHAP</i>	<i>Wave 1 Private rental support</i>	<i>Wave 1 TASS and Re-entry</i>	<i>Total</i>	<i>HILDA Wave 1 (n=13969)</i>
<b><i>Housing situation (n=150)</i></b>								
Mean	7.5	5.6	5.8	6.3	5.4	6.9	6.2	8.0
Median	5.0	6.0	5.0	7.0	5.0	7.0	5.0	8.0
<b><i>Employment opportunities (n=145)</i></b>								
Mean	5.5	5.8	5.3	3.7	4.8	5.6	5.2	5.0
Median	5.0	5.5	5.0	4.0	5.0	6.0	5.0	6.0
<b><i>Financial situation (n=148)</i></b>								
Mean	4.6	4.0	3.9	3.4	3.3	3.1	3.8	6.1
Median	5.0	4.0	4.0	2.0	3.0	2.5	3.0	6.0
<b><i>A feeling of safety (n=150)</i></b>								
Mean	7.6	6.8	6.1	4.7	7.1	6.6	6.7	7.9
Median	9.0	7.0	6.5	5.0	7.0	7.5	7.0	8.0
<b><i>Feeling part of the community (n=150)</i></b>								
Mean	5.8	5.8	5.4	5.1	5.4	4.1	5.4	6.7
Median	5.0	6.0	5.0	4.5	5.5	3.5	5.0	7.0
<b><i>Own health (n=152)</i></b>								
Mean	6.2	6.3	5.7	5.0	6.6	6.4	6.1	7.4
Median	6.0	6.0	5.0	5.0	7.0	8.0	6.0	8.0
<b><i>Neighbourhood (n=149)</i></b>								
Mean	7.2	6.6	6.1	4.9	7.3	6.3	6.6	8.0
Median	8.5	7.0	6.5	4.0	7.5	7.0	7.0	8.0
<b><i>Ability to cope with any serious problems (n=149)</i></b>								
Mean	5.8	7.0	5.6	5.6	6.7	6.3	6.3	
Median	5.5	8.0	5.0	5.5	7.0	6.5	7.0	
<b><i>Overall satisfaction (n=154)</i></b>								
Mean	6.0	6.0	6.2	4.7	6.2	6.0	5.9	8.0
Median	6.0	6.0	6.0	4.5	6.0	6.0	6.0	8.0

Note: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'; (b) Scale of 1 (Totally Dissatisfied) - 10 (Totally Satisfied).

Table 4.7: World Health Organization Quality of Life (BREF Australian version), wave 1 client survey

	<i>Wave 1 SAAP-DV and single women</i>	<i>Wave 1 SAAP- Single men</i>	<i>Wave 1 SAAP- Families &amp; general</i>	<i>Wave 1 SHAP</i>	<i>Wave 1 Private rental support</i>	<i>Wave 1 TASS and Re-entry</i>	<i>Total</i>	<i>Population norms Australian WHOQOL- BREF</i>
<b><i>Overall quality of life: How would you rate your quality of life? 1 (very poor) – 5 (very good) (n=151)</i></b>								
Mean	3.4	3.5	3.5	3.3	3.6	3.1	3.5	4.3
Median	4.0	4.0	3.5	3.0	4.0	3.0	4.0	
<b><i>Health satisfaction: How satisfied are you with your health? 1 (very dissatisfied) – 5 (very satisfied) (n=151)</i></b>								
Mean	3.4	3.4	3.1	3.0	3.2	3.4	3.3	3.6
Median	4.0	4.0	3.0	3.0	3.0	4.0	3.0	
<b><i>Physical (n=153)</i></b>								
Mean	58.8	67.1	60.5	54.9	61.8	58.1	61.3	80.0
Median	64.3	71.4	64.3	53.6	64.3	64.3	64.3	
<b><i>Psychological (n=153)</i></b>								
Mean	54.8	65.5	51.3	50.0	59.1	58.3	57.8	72.6
Median	54.2	64.6	50.0	45.8	62.5	66.7	58.3	
<b><i>Social relationship (n=148)</i></b>								
Mean	42.7	53.5	55.8	45.6	56.3	42.2	50.1	72.2
Median	41.7	58.3	50.0	41.7	50.0	41.7	50.0	
<b><i>Environment (n=153)</i></b>								
Mean	59.1	60.2	56.4	50.2	58.9	49.8	57.2	74.8
Median	56.3	60.9	57.8	48.4	62.5	43.8	59.4	

Note: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'.

#### 4.4.1 *Changes in client satisfaction, wellbeing and assessment of the effectiveness of support*

One measure of the effectiveness of homelessness programs is the extent to which they improve the wellbeing of clients in both the short and long term. We have no direct measure of clients' satisfaction with aspects of their life, nor of their quality of life position prior to receiving support. We, therefore, cannot make a direct before and after support comparison. However, the *Client Survey* does include a rating of how study participants felt about aspects of their life now as compared to before they received assistance. The nine dimensions of life referred to above in the life satisfaction analysis were used for this purpose. Table 4.8 presents the relevant findings.

An improvement in life satisfaction outcomes, as compared with a no-change position or a worsening of outcomes, is the dominant response across all program categories and for all dimensions of life. The life satisfaction dimension with the greatest positive change impact is housing where 56.8 per cent of respondents reported that their position was much better than before assistance was forthcoming. A further 24.0 per cent indicated that their housing position was somewhat better. A significant number of those who are provided with supported accommodation come from a position of primary homelessness or from an unsafe living environment. For clients receiving support from Re-entry Link and TASS services, assistance with accommodation is critical, as it is often a condition for their release from prison. Without an address, clients on these programs often will not get their parole granted, consequently remaining in prison until a new review date is set.

It is important to link up these findings on improvement in housing outcomes as a result of support with evidence reported earlier that a significant majority of clients are assessed as requiring intensive and ongoing support with respect to housing issues. It would appear that services are addressing the most prevalent high need area in a speedy and effective manner in the early part of a client's support period.

Two other dimensions with a very strong positive change outcome were feelings of safety and ability to cope with serious problems. In the former, 61.1 per cent of clients reported that assistance had resulted in improved feelings of safety. The strongest response is evident for the SAAP-DV and Single Women category of clients where 87.1 per cent indicated that assistance had resulted in an improvement in feelings of safety. Again, it is important to recall our earlier finding on client needs where a majority of clients in SAAP-DV and Single Women category were assessed by caseworkers as requiring intensive and/or ongoing support with respect to experiences of violence. SAAP-DV and Single Women services appear to be responding strongly to the high needs of clients in this area.

The life satisfaction dimension with the smallest positive change impact is that of employment opportunities, where one-third of clients reported a positive change following support and over 60 per cent reported no change. The program-level results reveal a marked difference. Around half of all SAAP-Single Men and TASS and Re-entry Link clients report that they experienced an improvement in their employment outlook, which is well above the proportion for other programs. The most obvious reason for this is that agencies working in these programs place greater emphasis on assisting clients with job search processes as part of the support they offer, and male respondents themselves, once their immediate crisis needs are met, are able to more readily seek employment than before support was provided.

**Table 4.8: Satisfaction with various dimensions of life, comparisons with pre-support levels, wave 1 client survey (per cent)**

	<i>SAAP-DV and single women</i>	<i>SAAP-Single men</i>	<i>SAAP-General &amp; families</i>	<i>SHAP</i>	<i>Private rental support</i>	<i>TASS and Re-entry</i>	<i>Total</i>
<b><i>Housing now compared to before receiving assistance (n=152)</i></b>							
Much better	60.6	42.1	65.0	68.8	61.3	64.3	57.9
Somewhat better	18.2	36.8	10.0	25.0	22.6	21.4	23.7
About the same	15.2	13.2	10.0	6.3	16.1	14.3	13.2
Somewhat worse	6.1	2.6	0.0	0.0	0.0	0.0	2.0
Much worse	0.0	5.3	15.0	0.0	0.0	0.0	3.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b><i>Employment opportunities now compared to before receiving assistance (n=145)</i></b>							
Much better	13.8	29.7	15.0	6.7	10.0	28.6	17.9
Somewhat better	6.9	21.6	20.0	6.7	20.0	35.7	17.9
About the same	72.4	40.5	50.0	73.3	66.7	28.6	55.9
Somewhat worse	3.4	5.4	5.0	6.7	3.3	0.0	4.1
Much worse	3.4	2.7	10.0	6.7	0.0	7.1	4.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b><i>Financial situation now compared to before receiving assistance (n=150)</i></b>							
Much better	36.4	26.3	10.0	0.0	17.2	21.4	21.3
Somewhat better	12.1	26.3	20.0	43.8	48.3	35.7	29.3
About the same	39.4	36.8	45.0	37.5	24.1	35.7	36.0
Somewhat worse	9.1	7.9	25.0	0.0	6.9	0.0	8.7
Much worse	3.0	2.6	0.0	18.8	3.4	7.1	4.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b><i>Feeling of safety now compared to before receiving assistance (n=150)</i></b>							
Much better	67.7	36.8	45.0	31.3	19.4	28.6	39.3
Somewhat better	19.4	23.7	20.0	12.5	25.8	35.7	22.7
About the same	12.9	31.6	20.0	43.8	54.8	28.6	32.0
Somewhat worse	0.0	5.3	0.0	6.3	0.0	0.0	2.0
Much worse	0.0	2.6	15.0	6.3	0.0	7.1	4.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b><i>Feeling part of the community now compared to before receiving assistance (n=149)</i></b>							
Much better	28.1	23.7	5.3	6.3	23.3	14.3	19.5
Somewhat better	25.0	28.9	52.6	18.8	20.0	21.4	27.5
About the same	40.6	42.1	36.8	56.3	56.7	64.3	47.7
Somewhat worse	6.3	2.6	0.0	6.3	0.0	0.0	2.7
Much worse	0.0	2.6	5.3	12.5	0.0	0.0	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b><i>Own health now compared to before receiving assistance (n=152)</i></b>							
Much better	28.1	34.2	15.8	18.8	20.0	15.4	24.3
Somewhat better	31.3	23.7	15.8	12.5	26.7	23.1	23.6
About the same	21.9	34.2	57.9	56.3	50.0	53.8	41.9
Somewhat worse	15.6	2.6	10.5	6.3	3.3	7.7	7.4
Much worse	3.1	5.3	0.0	6.3	0.0	0.0	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	<i>SAAP-DV and single women</i>	<i>SAAP-Single men</i>	<i>SAAP-General &amp; families</i>	<i>SHAP</i>	<i>Private rental support</i>	<i>TASS and Re-entry</i>	<i>Total</i>
<b><i>Neighbourhood in which he/she lives now compared to before receiving assistance (n=149)</i></b>							
Much better	34.4	33.3	25.0	12.5	28.6	35.7	29.5
Somewhat better	21.9	25.6	30.0	12.5	17.9	35.7	23.5
About the same	40.6	28.2	30.0	62.5	53.6	21.4	38.9
Somewhat worse	0.0	2.6	10.0	0.0	0.0	0.0	2.0
Much worse	3.1	4.1	5.1	6.1	7.1	8.1	9.1
Total	100.0	93.9	100.1	93.6	107.1	101.0	103.1
<b><i>Ability to cope with serious problems now compared to before receiving assistance (n=152)</i></b>							
Much better	40.6	33.3	30.0	31.3	22.6	7.1	29.6
Somewhat better	28.1	12.8	35.0	31.3	45.2	57.1	31.6
About the same	28.1	46.2	20.0	31.3	29.0	35.7	32.9
Somewhat worse	3.1	5.1	15.0	0.0	3.2	0.0	4.6
Much worse	0.0	2.6	0.0	6.3	0.0	0.0	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b><i>Overall satisfaction now compared to before receiving assistance (n=152)</i></b>							
Much better	46.9	25.6	20.0	18.8	29.0	21.4	28.9
Somewhat better	25.0	33.3	45.0	31.3	41.9	35.7	34.9
About the same	25.0	30.8	25.0	43.8	29.0	42.9	30.9
Somewhat worse	3.1	7.7	10.0	0.0	0.0	0.0	3.9
Much worse	0.0	2.6	0.0	6.3	0.0	0.0	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'.

**Table 4.9: Client perceptions of the benefits of receiving support and of the knowledge gained as a consequence of receiving assistance, wave 1 client survey (per cent)**

	<i>SAAP-DV and single women</i>	<i>SAAP-Single men</i>	<i>SAAP-General &amp; families</i>	<i>SHAP</i>	<i>Private rental support</i>	<i>TASS and Re-entry</i>	<i>Total</i>
<b><i>Importance to the client of receiving assistance and help from the service in meeting their needs, Wave 1 Client Survey, Main and Short Form (per cent) (n=157)</i></b>							
Very Important	97.0	63.4	85.0	93.8	96.9	93.3	86.0
Important	3.0	31.7	15.0	6.3	3.1	6.7	12.7
Not Important	0.0	4.9	0.0	0.0	0.0	0.0	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b><i>'Compared to when I first started with the service I understand the issues facing me and how to deal with them...' (n=157)</i></b>							
A lot more	75.8	31.7	40.0	62.5	68.8	53.3	54.8
More	18.2	34.1	45.0	25.0	18.8	33.3	28.0
The same	6.1	34.1	15.0	12.5	9.4	13.3	16.6
Less	0.0	0.0	0.0	0.0	3.1	0.0	0.6
A lot less	0.0	0.0	0.0	0.0	3.1	0.0	0.6
Total	100.0	100.0	100.0	100.0	103.1	100.0	100.6

Note: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'.

It should also be emphasised that the focal point for clients in other programs such as SAAP-DV and Single Women is ensuring a safe environment following a recent domestic and family violence incident and that homelessness prevention and support services typically would not receive dedicated funding for employment-targeted assistance. It is also important to acknowledge the extensive history of joblessness, lack of life skills, criminal record, mental health conditions, substance abuse and minimal participation in training, courses and education for many clients which generate significant barriers to employment.

Table 4.9 includes findings on clients' perceptions of the benefits of receiving support and of the knowledge gained as a consequence of receiving support. Study participants were asked: 'How important has it been for you to get assistance and help from the service in meeting your needs?' The rating scale was:

- Very important;
- Important;
- Not important.

The vast majority of respondents (86.0 per cent) indicated that it was 'very important' to receive assistance and help from the service in meeting their needs. A further 12.7 per cent indicated that receiving support was 'important'. SAAP-DV and Single Women clients reported the highest 'very important' to receive support outcome, reflecting the extreme circumstances and complexities inherent in domestic and family violence situations, the multiplicity of high needs among SAAP-DV and Single Women clients, and the assistance which agencies provide clients in terms of re-locating, as well as providing the emotional support which women in such situations require.

A further self-assessed indicator of the effectiveness of homelessness programs is the degree to which clients have gained a better understanding of the issues facing them and how to deal with them. The question put to clients is: 'Compared to when I first started with the service I understand the issues facing me and how to deal with them ... [A lot more, More, The same, Less, A lot less]'. Results are presented in Table 4.9.

Agencies engaged in the study typically ensure a high level of case manager/client interaction and adopt a client goal setting agenda based around assessed client needs. Across the programs, 54.8 per cent of clients indicated that support had resulted in understanding the issues facing them and how to deal with these a lot more than before support was provided. A further 28.0 per cent responded that they understood the issues facing them more than before. For a further 16.6 per cent, there was no change in their understanding. The strongest knowledge/understanding impact is evident in the SAAP-DV and Single Women services sector where three-quarters of respondents report that their understanding of the issues facing them and how to deal with them improved a lot more with support.

We stated previously that *Client Survey* respondents exhibited lower levels of satisfaction across a broad range of dimensions of life than the Australian population as a whole at the point of the Wave 1 *Client Survey*. This is in spite of the fact that respondents also indicated an overwhelming improvement in their position across the same set of indicators when assistance was provided. In Figures 4.1a-c, we examine the issue of the extent to which support has acted to improve the position of study participants beyond the initial phase of support.

In Figure 4.3a, we compare the change in client satisfaction outcomes from the Wave 1 point to that of the 3-month/Exit Waves. A matched sample of respondents is used. In other words, the comparison in client satisfaction outcomes is made on the basis of the same respondents with valid non-missing entries for both waves in terms of client

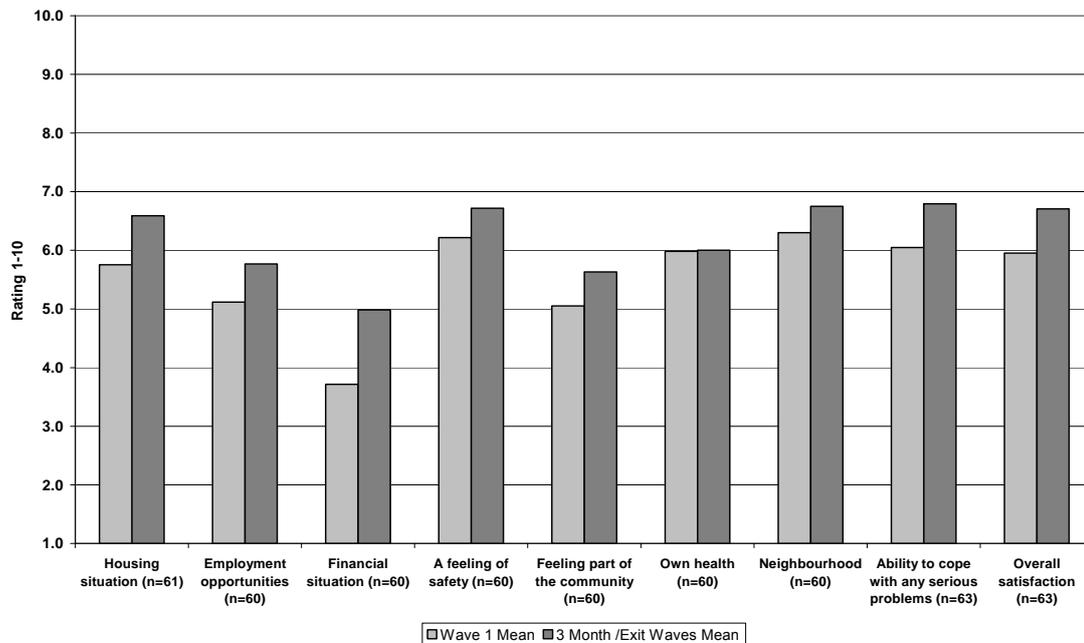
satisfaction outcomes. (In those cases where a respondent completed both a 3-month Wave survey and an Exit Wave survey, the latter results are used.) The second comparison made is between Wave 1 and the 12-month Wave outcomes (see Figure 4.3b). As with the 3-month/Exit Waves comparison, a matched sample is used with valid non-missing data for both waves. As the 12-month Wave sample is relatively small, the 12-month comparison findings must be treated with some caution. The final comparison analysis involves a matched sample of Wave 1, 3-month/Exit Wave and 12-month Wave respondents. The sample here is smaller still as some respondents in the 12-month sample do not have valid non-missing entire in the 3-month/Exit Wave.

The findings presented in Figure 4.3a indicate that respondents who completed both the Wave 1 survey and the 3-month/Exit Wave surveys experienced a rise in their *Overall satisfaction with life* from the Wave 1 point of 0.8 points out of 10 (or 12.7 per cent). The increase was largest for the *Financial situation* indicator followed by the *Ability to cope with any serious problems*, *Housing situation*, *Feeling part of the community* and *Neighbourhood* indicators. There was no improvement in the *Own health* indicator for this group of respondents. The *Client Survey* 3-month/Exit Wave outcomes remain below the general population outcomes (see Table 4.6).

Much the same pattern of improvement in satisfaction with aspects of life in the post-entry support phase is evident with respect to the 12-month Wave on Wave 1 comparison (see Figure 4.3b). The increase in the *Overall satisfaction with life* was 12.8 per cent; matching almost precisely the increase evident for the 3-month/Exit Wave comparison (12.7 per cent). There were, however, some minor points of variation between the two comparisons. The *Housing situation* indicator exhibited a small fall in the 12-month analysis as compared with a rise, while the *Own health* indicator rose by 10.2 per cent in the 12-month comparison, as compared to a no change result in the 3-month/Exit Wave comparison.

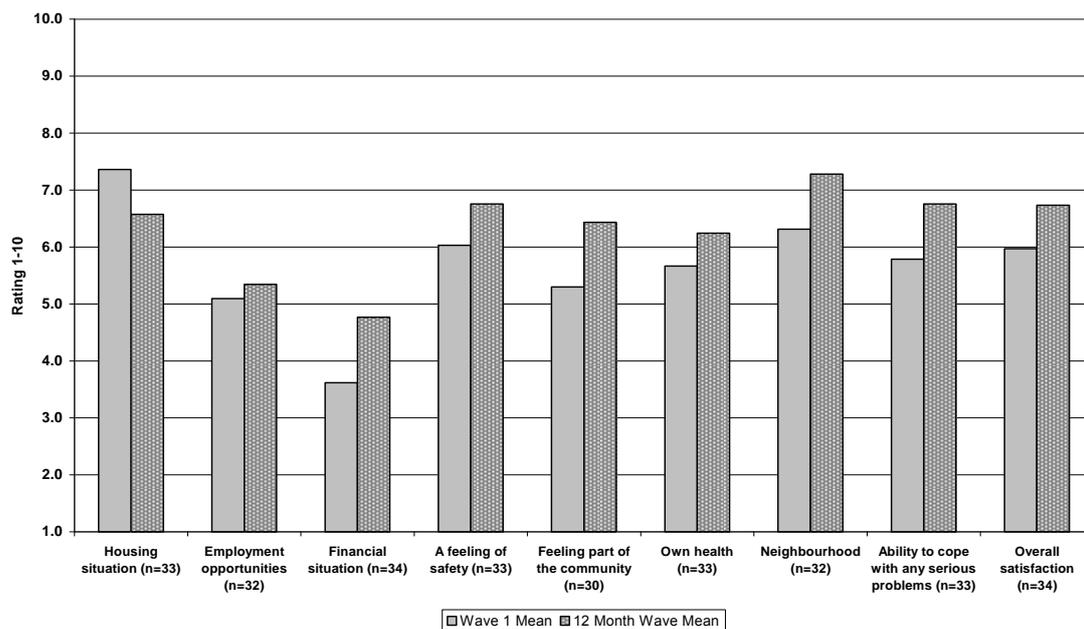
**Figure 4.3: Satisfaction with various aspects of life (scale of 1-10), client survey**

**a: Wave 1 and 3-month/exit waves (a)(b)**



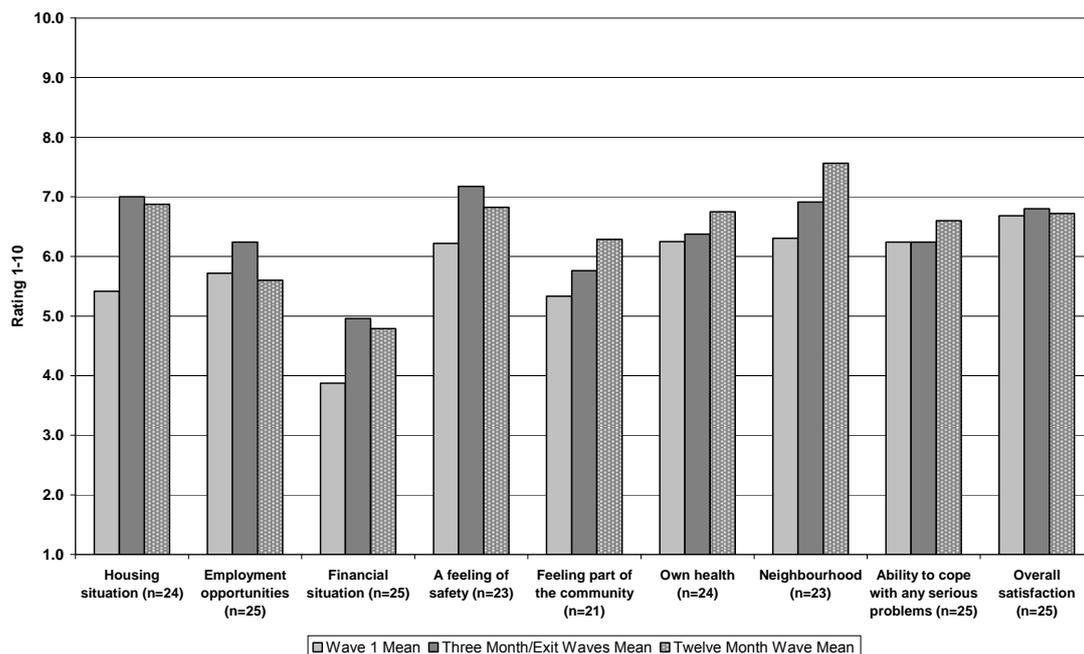
Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the Three month/Exit surveys.

**b: Wave 1 and 12-month wave (a)(b)**



Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the 12-month Wave.

**c: Wave 1, 3-month/exit waves and 12-month wave (a)(b)**



Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the 12-month Wave.

**Table 4.10: Quality of life outcomes for clients**

***a: 3-month/exit and 12-month waves, client survey***

<b>Mean values</b>	<b>Wave 1 and 3-month/exit waves segment (n=53-55) (a)(b)</b>		<b>Wave 1 and 12-month waves segment (n=32-34) (a)(c)</b>		<b>Population norms Australian WHOQOL-BREF</b>
	<b>Wave 1</b>	<b>3-month/exit wave</b>	<b>Wave 1</b>	<b>12-month wave</b>	
Overall quality of life (one question item 1-5) (n=55)	3.3	3.8	3.3	3.8	4.3
Health satisfaction (one question item 1-5) (n=55)	3.1	3.1	3.3	3.6	3.6
Physical (n=55)	60.5	62.0	62.7	62.1	80.0
Psychological (n=55)	54.0	62.3	59.6	63.4	72.6
Social relationship (n=53)	52.7	53.2	57.2	63.0	72.2
Environment (n=55)	55.2	62.7	56.8	61.8	74.8

Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the 3-month/Exit Waves. (c) A matched sample of respondents from Wave 1 and the 12-month Wave.

***b: All waves comparison, client survey (a)(b)***

<b>Mean values</b>	<b>All waves comparison (n=21)</b>			
	<b>Wave 1</b>	<b>3-month/exit waves</b>	<b>12-month wave</b>	<b>Population norms Australian WHOQOL-BREF</b>
Overall quality of life (one question item 1-5)	3.3	3.8	3.8	4.3
Health satisfaction (one question item 1-5)	3.3	3.1	3.6	3.6
Physical	62.6	62.8	62.8	80.0
Psychological	59.9	64.7	65.1	72.6
Social relationship	58.3	54.8	64.3	72.2
Environment	56.5	61.9	62.2	74.8

Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents is used in the comparisons.

The 3-month/Exit Waves and 12-month Wave comparative analyses suggest that improvement in the post-entry phase is largely complete by the 3-month/Exit Wave point. The matched sample results for all three waves presented in Figure 4.4c is in line with this hypothesis, with only very minor changes in client outcomes evident between the 3-month/Exit Wave and the 12-month Wave point. However, as will be emphasised throughout the report, the 12-month sample is so small and that of the three wave matched cohorts smaller still that such conjectures remain very much an open matter.

In Tables 4.10a and 4.10b, we continue our investigation of changes in respondents' sense of wellbeing using results from the WHOQOL-BREF instrument. As in the case of the satisfaction with life instrument, study participants display an improvement in their overall quality of life outcome from the immediate post-entry point to the 3-month/Exit Wave point. The mean value of the overall quality of life indicator rises

from 3.3 to 3.8 between these two points. Increases in all four quality of life domains (physical, psychological, social relationship and environment) are evident between the Wave 1 and the 3-month/Exit Wave point. The largest rise occurs in the psychological and environment domains.

As with the 3-month/Exit Wave analysis, the Wave 1 to 12-month comparative analysis also reveals an increase in quality of life outcomes for study participants from the Wave 1 point. However, mirroring the satisfaction with life findings, the quality of life outcomes for the *Client Survey* respondents remain well below the Australian norm results in all indicators except for health satisfaction. Interestingly, the Wave 1 starting point quality of life scores are higher for the cohort of respondents who continued through to the 12-month point than those in the 3-month/Exit Waves segment.

In Table 4.10b, we examine the path taken by the relatively small cohort of respondents with valid non-missing information on quality of life outcomes in each Wave. The 12-month Wave outcomes for this segment of the *Client Survey* respondents are higher than at the Wave 1 point but the pattern of movement in quality of life outcomes between the three points is uneven. Some indicators display a rising trend, while others actually dip at the 3-month/Exit Wave point before rising again at the 12-month point.

At the point of the Wave 1 survey, the overwhelming majority of respondents reported that the provision of assistance by services to meet their needs was very important to them and that compared with when they first started with the service they understood the issues facing them a lot better. At both the 3-month/Exit Wave follow-up point and the 12-month Wave point, the same general result holds. However, the findings presented in Table 4.11 suggest a drop-off in the extent to which the provision of support from agencies is viewed by study participants as being very important to them.

**Table 4.11: Client perceptions of the benefits of receiving support and of the knowledge gained as a consequence of receiving assistance, 3-month/exit and 12-month waves, client survey**

	<i>Wave 1 and 3-month/exit wave segment (n=66) (a)(b)</i>			<i>Wave 1 and 12-month wave segment (n=34-35) (a)(c)</i>		
	<i>Wave 1</i>	<i>3-month/exit waves</i>	<i>Difference</i>	<i>Wave 1</i>	<i>12-month wave</i>	<i>Difference</i>
<b><i>Importance to the client of receiving assistance and help from the service in meeting their needs (per cent)</i></b>						
Very Important	87.9	71.2	-16.7	91.4	77.1	-14.3
Important	9.1	25.8	16.7	8.6	14.3	5.7
Not Important	3.0	3.0	0.0	0.0	0.0	0.0
Total	100.0	100.0		100.0	100.0	
<b><i>'Compared to when I first started with the service I understand the issues facing me and how to deal with them... (per cent)</i></b>						
A lot more	65.2	62.1	-3.0	64.7	64.7	0.0
More	21.2	19.7	-1.5	29.4	20.6	-8.8
The same	13.6	18.2	4.5	5.9	14.7	8.8
Less	0.0	0.0		0.0	0.0	0.0
A lot less	0.0	0.0		0.0	0.0	0.0
Total	100.0	100.0		100.0	100.0	

Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the 3-month/Exit Waves. (c) A matched sample of respondents from Wave 1 and the 12-month Wave.

An overarching aim of homelessness programs is to improve the personal and social support networks of clients, their personal strengths and their sense of self-reliance and level of independence. The *Client Survey* offered the following statements:

- When I need someone to help me, I can usually find someone;
- I enjoy the time I spend with people who are important to me;
- Just talking with people I know makes me feel better;
- I have friends that can be relied upon and look out for me;
- I look out for my friends;
- I am generally independent and self-reliant;
- I can find a way through difficult times;
- I have learned important things from bad experiences;
- I have good community contacts and social supports;
- If I need money or other things in an emergency there are people that will help me out;
- I have the ability to change my situation.

A seven point rating scale was used (1 strongly disagree – 7 strongly agree) to assess responses. The evidence presented in Table 4.12 indicates divergence in responses. Statements relating to independence and self-reliance and learning from bad experiences elicited very high positive outcomes (mean above 6 out of a possible 7). On the other hand, a set of statements relating to community and social networks elicited lower outcomes on average. At face value, these responses suggest that clients believe themselves to be independent and self-reliant but do not have the personal and social supports they might need in difficult times. The second major finding was that there was no significant change in personal strengths and personal/social support networks over time, either between Wave 1 and the 3-month/Exit Wave or between Wave 1 and the 12-month Wave.

#### 4.4.2 *Housing and accommodation outcomes*

A key objective of homelessness programs is to ensure that clients who were previously in a precarious housing position are able to gain access to permanent accommodation, and those who are at imminent risk of becoming homeless are supported through a crisis position to maintain their accommodation. As noted above with respect to the accommodation transitions of *Client Survey* respondents in the year prior to support, a significant majority of SAAP single men and families clients move from primary homelessness, temporary accommodation or in institutional/residential living into SAAP/CAP accommodation. Among women, around half of all clients make such a transition. In the case of women, many are making the transition from permanent accommodation into SAAP because their permanent accommodation is unsafe.

Figure 4.4a presents findings on the accommodation position of respondents immediately prior to the support period, at the Wave 1 survey point and then again at the 3-month/Exit follow-up point. Figure 4.4b does likewise in terms of the 12-month follow-up. The comparisons provided in the tables are for a matched sample of respondents (i.e. we follow the same study participants over time). Detailed transition tables are available in Volume 2 of the report (Appendix B Tables B7 and B8).

Of those who were primary homeless immediately prior to support (and who completed the follow-up surveys), none remained in primary homelessness at the

Wave 1, 3-month or 12-month follow-up interviews. It should be noted, however, that a significant number of Wave 1 clients who were in primary homelessness prior to the provision of support did not provide follow-up contacts or were not contactable at the follow-up phase (generally after very short support periods).

Positive change was also evident for those who were in temporary accommodation prior to the support period, for example, living in caravans, boarding and rooming houses, or couch surfing with extended family members, friends or acquaintances. In the 3-month/Exit wave comparison, 23.8 per cent of the relevant matched sample were in temporary accommodation prior to support, but only 6.3 per cent of the sample were in such accommodation at the 3-month/Exit Wave point. In the 12-month Wave comparison, the figures were 33.3 per cent and 16.7 per cent. The accommodation transition tables in Volume 2 of the report indicate that over four-fifths of those in temporary accommodation prior to support were no longer in that position at either the 3-month or the 12-month Wave point. Two-thirds of those in temporary accommodation at the 12-month point moved into temporary accommodation from private rental and other accommodation.

Those who received SAAP/CAP accommodation support at the Wave 1 survey point represented 37.5 per cent of respondents of the 3-month/Exit Wave matched sample group. By the 3-month/Exit Wave survey point, such respondents represented only 21.3 per cent of all clients. In other words, there was net significant reduction in the use of SAAP/CAP accommodation options by the relevant cohort of respondents. The rise in the proportion of clients in the public housing and other accommodation state positions indicated that there was a net flow from SAAP/CAP accommodation to these tenure positions.

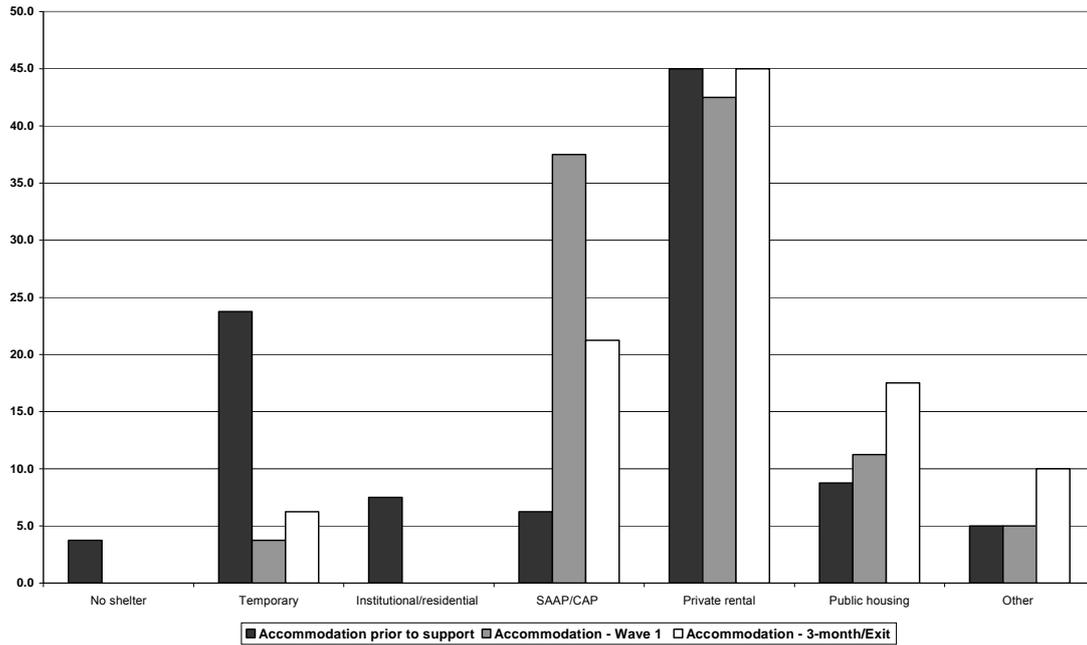
**Table 4.12: Personal support networks and personal strengths (scale 1-7), 3-month/exit and 12-month waves, client survey**

	<i>Wave 1 and 3-month/exit wave segment (n=62-64)</i>			<i>Wave 1 and 12-month wave segment (n=34-35)</i>		
	<i>Wave 1</i>	<i>3-month/ exit waves</i>	<i>Difference</i>	<i>Wave 1</i>	<i>12-month wave</i>	<i>Difference</i>
'When I need someone to help me, I can usually find someone'	5.2	5.0	-0.2	5.1	4.8	-0.3
'I enjoy the time I spend with people who are important to me'	6.1	6.0	-0.1	6.6	6.3	-0.3
'Just talking with people I know makes me feel better'	5.6	5.6	-0.1	5.9	5.7	-0.2
'I have friends that can be relied upon and look out for me'	4.9	4.8	-0.1	5.3	4.9	-0.4
'I look out for my friends'	5.4	5.6	0.1	5.8	5.9	0.1
'I am generally independent and self-reliant'	6.2	6.1	-0.1	6.1	6.2	0.1
'I can find a way through difficult times'	5.6	5.6	0.0	5.4	5.5	0.1
'I have learned important things from bad experiences'	6.4	6.3	-0.1	6.3	6.5	0.1
'I have good community contacts and social supports'	5.4	5.2	-0.2	5.3	5.1	-0.1
'If I need money or other things in an emergency there are people that will help me out'	4.7	4.7	0.0	4.8	4.6	-0.2
'I have the ability to change my situation'	5.8	5.8	0.0	5.8	5.6	-0.2

Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the 3-month/Exit Waves. (c) A matched sample of respondents from Wave 1 and the 12-month Wave.

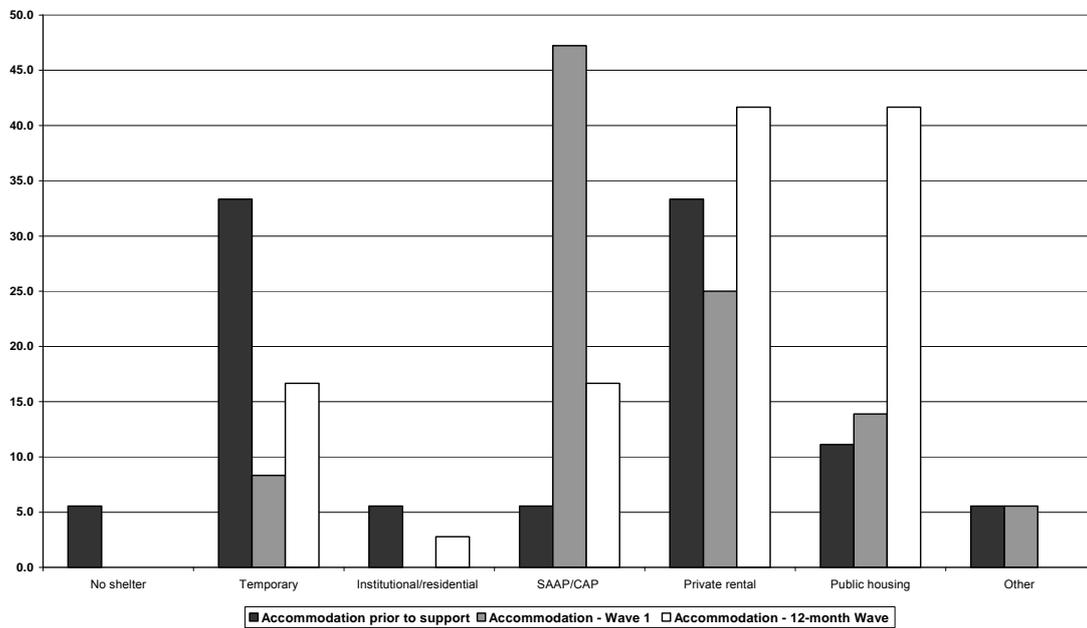
**Figure 4.4: Accommodation outcomes, client survey**

**a: Wave 1 and the 3-month/exit waves (a)(b)**



Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the 3-month/Exit Waves.

**b: Wave 1 and the 12-month wave (a)(b)**



Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the 12-month Wave.

An examination of the 12-month Wave results suggests that the net flow from SAAP/CAP accommodation increased over time. It comprised almost half of all accommodation (47.5 per cent) at the Wave 1 point, but by the 12-month Wave point, those in this tenure represented only 16.7 per cent of respondent clients.

By the time of the follow-up surveys, private rental and public rental accommodation represented the dominant tenure category for study participants. In terms of the 12-month follow-up, those in private or public rental accommodation accounted for four-fifths of the relevant sample. What these findings reveal is that the provision of supported accommodation not only moves people out of homelessness but also enables many of them to make a transition to their own permanent accommodation position (often in the private rental market).

The vast majority of those who prior to the support period were in private rental accommodation or public housing and who received support to retain their accommodation in homelessness prevention programs remained in this position at the follow-up points. In both the 3-month/Exit Wave follow-up and the 12-month Wave follow-up, three-quarters of those in private rental accommodation prior to support remained in that tenure at the follow-up points. In the case of public housing, 85.7 per cent of those in public housing prior to support were in this tenure position at the 3-month follow-up point, while for the 12-month Wave matched sample, 100 per cent were in the same housing tenure. In other words, while these clients were at imminent risk of homelessness when support was provided, they remained in permanent accommodation three to four and 12 months later.

In respect of the two homelessness programs in the public and private rental sectors (SHAP and PRSAP), the provision of support from the point of the Wave 1 survey to the follow-up survey appears to have significantly reduced rental arrears and tenant liabilities for those experiencing financial pressures with respect to sustaining their tenancies (see Table 4.13 below). This is one indicator of the success of the programs in alleviating pressures on tenants to maintain their tenancy.

**Table 4.13: Tenant support programs and wave 1 and 3-month/exit waves, client survey (a)(b)**

	<i>Wave 1</i>	<i>3-month/ exit waves</i>
Mean value of rental arrears (for those with rental arrears) \$	1,309	800
Median value of rental arrears (for those with rental arrears) \$	650	0
Mean value of tenant liabilities (for those with tenant liabilities) \$	3,227	993
Median value of tenant liabilities (for those with tenant liabilities) \$	1,100	28

Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the Three month/Exit surveys.

#### 4.4.3 *Income and labour force attachment*

In Table 4.14, we assess the main income source of respondents both at the point of entering the service and at the 3-month/Exit Wave follow-up point. Table 4.15 does likewise in terms of the 12-month Wave. Full income-based transition tables are provided in Appendix B of Volume 2 of the report. The findings presented in the two tables relate to the same set of respondents.<sup>30</sup>

<sup>30</sup> Consistent with the evidence presented earlier of an under-representation in the follow-up phase of respondents who were in primary homelessness prior to support, there was an under-representation of those with no income in the follow-up phase. Obviously, there is a significant cross-over between these two groups.

Most study respondents who completed the follow-up process experienced no change in their main income position between the beginning of the support period and the follow-up points. The vast majority relied on government income support payments at both the beginning of the support period and then again at the 3-month/Exit Wave and 12-month Wave follow-points. In the case of the 3-month follow-up comparative analysis, 85.9 per cent of clients who listed government income support payments as their main form of income on entry to support continued to have these as their main form of income at the 3-month/Exit Wave point. In the case of the 12-month follow-up comparative analysis, 75.8 per cent of clients who listed government income support payments as their main form of income on entry to support continued to have these as their main form of income at the 12-month/Exit Wave point.

While government income support payments remained the dominant form of income at the follow-up points, the reliance on this form of income fell over time. Correspondingly, the reliance on wage and salary income rose. Taking first the 3-month matched sample, only 8.6 per cent of respondent clients at the Wave 1 point listed wages and salaries as their main form of income. At the 3-month/Exit Wave point, 16.2 per cent of client respondents did so. For the 12-month Wave analysis, 2.7 per cent of respondent clients listed wages and salaries as their main form of income, while at the 12-month point, 17.3 per cent of study participants did so.

The findings on transitions in the level of income reflect those for the main source of income (see Appendix B Tables B.9 and B.10). With the movement of some respondents into wage and salary income as their main source of income, so there is a transition into higher income brackets.

In Tables 4.15 and 4.16, we consider the labour force status of client respondents at both the point of entry to support and the follow-up point. In terms of the 3-month/Exit Wave cohort, 7.4 per cent of study participants were employed full-time and 12.3 per cent employed part-time, an overall employment-to-sample rate of 19.7 per cent. At the time of the 3-month/Exit Wave follow-up, 12.3 per cent of the same study participants were employed on a full-time basis and 19.8 per cent on a full-time basis, resulting in a rise in the employment-to-sample rate of 32.1 per cent. This represents a significant shift of respondents into paid employment. In respect of the 12-month follow-up, a doubling of the proportion of study participants in paid employment was evident from the point of entry to support to the 12-month point. Correspondingly, there was a reduction in the pool of those experiencing unemployment in the two comparative analyses.

Table 4.14: Main income source transitions, wave 1 and 3-month/exit waves, client survey (per cent) (n=81), (a)(b)

<i>Main income source on entering the service</i>						
	<i>No Income</i>	<i>No income but registered/awaiting benefit</i>	<i>Government income support payments</i>	<i>Wages/salary/own business</i>	<i>Other sources</i>	<i>Total</i>
<b><i>Main income source at the point of the 3-month/exit waves</i></b>						
<b><i>No income</i></b>						
Row %	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
<b><i>No income but registered/awaiting benefit</i></b>						
Row %	0.0	0.0	0.0	100.0	0.0	100.0
Column %	0.0	0.0	0.0	14.3	0.0	1.2
<b><i>Government income support payments</i></b>						
Row %	0.0	1.6	95.3	3.1	0.0	100.0
Column %	0.0	100.0	85.9	28.6	0.0	79.0
<b><i>Wages/salary/own business</i></b>						
Row %	14.3	0.0	57.1	28.6	0.0	100.0
Column %	100.0	0.0	11.3	57.1	0.0	17.3
<b><i>Other sources</i></b>						
Row %	0.0	0.0	100.0	0.0	0.0	100.0
Column %	0.0	0.0	2.8	0.0	0.0	2.5
<b><i>Total</i></b>						
Row %	2.5	1.2	87.7	8.6	0.0	100.0
Column %	100.0	100.0	100.0	100.0	0.0	100.0

Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the Three month/Exit Waves.

Table 4.15: Main income source transitions, wave 1 and the 12-month wave, client survey (per cent) (n=37), (a)(b)

<i>Main income source on entering the service</i>						
	<i>No Income</i>	<i>No income but registered/</i>	<i>Government income support payments</i>	<i>Wages/salary/own business</i>	<i>Other sources</i>	<i>Total</i>
<b><i>Main income source at the point of the 12-month wave</i></b>						
<b><i>No income</i></b>						
Row %	100.0	0.0	0.0	0.0	0.0	100.0
Column %	50.0	0.0	0.0	0.0	0.0	2.7
<b><i>No income but registered/awaiting benefit</i></b>						
Row %	0.0	0.0	100.0	0.0	0.0	100.0
Column %	0.0	0.0	6.1	0.0	0.0	5.4
<b><i>Government income support payments</i></b>						
Row %	0.0	3.7	92.6	3.7	0.0	100.0
Column %	0.0	100.0	75.8	100.0	0.0	73.0
<b><i>Wages/salary/own business</i></b>						
Row %	16.7	0.0	83.3	0.0	0.0	100.0
Column %	50.0	0.0	15.2	0.0	0.0	16.2
<b><i>Other sources</i></b>						
Row %	0.0	0.0	100.0	0.0	0.0	100.0
Column %	0.0	0.0	3.0	0.0	0.0	2.7
<b><i>Total</i></b>						
Row %	5.4	2.7	89.2	2.7	0.0	100.0
Column %	100.0	100.0	100.0	100.0	0.0	100.0

Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the 12-month Wave.

**Table 4.16: Labour force status transitions, wave 1 and 3-month/exit wave, client survey (per cent) (n=80), (a)(b)**

<i>Labour force status of the client on entering the service</i>					
	<i>Employed full-time</i>	<i>Employed part-time</i>	<i>Unemployed</i>	<i>Not in the labour force</i>	<i>Total</i>
<i>Labour force status of the client at the 3-month/exit survey point</i>					
<i>Employed full-time</i>					
Row %	20.0	20.0	50.0	10.0	100.0
Column %	33.3	20.0	14.7	3.2	12.3
<i>Employed part-time</i>					
Row %	12.5	31.3	43.8	12.5	100.0
Column %	33.3	50.0	20.6	6.5	19.8
<i>Unemployed</i>					
Row %	10.5	5.3	68.4	15.8	100.0
Column %	33.3	10.0	38.2	9.7	23.5
<i>Not in the labour force</i>					
Row %	0.0	5.6	25.0	69.4	100.0
Column %	0.0	20.0	26.5	80.6	44.4
<i>Total</i>					
Row %	7.4	12.3	42.0	38.3	100.0
Column %	100.0	100.0	100.0	100.0	100.0

Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the Three month/Exit Waves.

Table 4.17: Labour force status transitions, wave 1 and the 12-month wave, client survey (per cent) (n=37), (a)(b)

	<i>Labour force status of the client on entering the service</i>					
	<i>Employed full-time</i>	<i>Employed part-time</i>	<i>Unemployed</i>	<i>Not in the labour force</i>	<i>Not applicable – in jail or institutional setting</i>	<i>Total</i>
<b><i>Labour force status of the client at the 12-month wave</i></b>						
<b><i>Employed full-time</i></b>						
Row %	0.0	0.0	66.7	33.3	0.0	100.0
Column %	0.0	0.0	11.8	7.1	0.0	8.1
<b><i>Employed part-time</i></b>						
Row %	0.0	33.3	44.4	22.2	0.0	100.0
Column %	0.0	60.0	23.5	14.3	0.0	24.3
<b><i>Unemployed</i></b>						
Row %	16.7	0.0	83.3	0.0	0.0	100.0
Column %	100.0	0.0	29.4	0.0	0.0	16.2
<b><i>Not in the labour force</i></b>						
Row %	0.0	11.1	27.8	61.1	0.0	100.0
Column %	0.0	40.0	29.4	78.6	0.0	48.6
<b><i>Not applicable – in jail or institutional setting</i></b>						
Row %	0.0	0.0	100.0	0.0	0.0	100.0
Column %	0.0	0.0	5.9	0.0	0.0	2.7
<b><i>Total</i></b>						
Row %	2.7	13.5	45.9	37.8	0.0	100.0
Column %	100.0	100.0	100.0	100.0	0.0	100.0

Notes: (a) The count of survey respondents who provided non-missing responses to a given item is given by 'n'. (b) Matched sample of respondents from Wave 1 and the 12-month Wave.

## 4.5 Client outcomes: evidence from the community centre survey

In this section, we utilise the *Community Centre Survey* to examine client outcomes from the provision of support in community support centres. Our focus is on the relationship between clients' histories of homelessness and client outcomes. (Appendix E contains a detailed analysis of client outputs or services by client homelessness history status.) Before presenting the findings from this analysis, it is useful to briefly list the key outcomes derived by clients from community centres.

As set out in Table 4.18, around 80 per cent of the *Community Centre Survey* study participants indicated that the centre had assisted them by providing low cost nutritious meals and by giving them an opportunity to catch up with friends and meet people. Over 60 per cent also indicated that the centre provided a point at which they could be heard and their problems addressed. Between 30 and 40 per cent indicated that the centre had assisted them by addressing specific needs such as material supports and health related needs.

**Table 4.18: Community centre client outcomes, community centre survey**

<i>'How has the centre assisted you?'</i>	<i>Per cent</i>
I get a low cost nutritious meal here	80
It means I get to catch up with friends, meet people and hang out with others	78
I know that staff will listen to me when I have problems	68
I know I have a place to go if I have a problem	64
I wouldn't have had a meal this morning/lunchtime if it wasn't here	56
The staff refer me to services I need to get by	39
The centre assists me with material support	37
I get health and medical support which I wouldn't get easily anywhere else	34
The staff have helped to get a place to stay	32
The centre assists me to sort out Centrelink issues	27
The staff have helped me to sort out legal issues	17
I get help with paying bills when I can't sort the problem out myself	14

We now turn to an analysis of client outcomes by homelessness history background. This adopts a range of ways of viewing a client's experience of homelessness, including:

- Current homelessness (primary, secondary/tertiary);
- The cumulative duration of primary homelessness in the last 12 months;
- The pattern of spells of primary homelessness over the last 12 months;
- Cumulative measures of homelessness prior to the age of 18 and from the age of 18 onwards.

The second and third of these measures of homelessness over the past 12 months utilise the accommodation calendar. From this, it was possible not only to derive how long a person experienced any given accommodation state (such as no shelter), but also the number of times they moved into and out of any given accommodation state. In more formal terms, the calendar allowed us to calculate durations and spells. Durations were recorded as the total number of weeks in a given accommodation state over the last 12 months. Spells were defined as a continuous period in any of the nine accommodation states, and also as a continuous period in any of the three main housing categories (primary homeless; secondary or tertiary homeless; other housing). For example, a person who was in no shelter for two months, then lived in temporary housing for 4 months and then lived in no shelter for 6 months would have experienced two spells of 'primary homelessness', and a total duration of eight months in primary homelessness. Putting the analyses of spells and durations together, we created variables that recorded clients' combined duration and spells of primary homelessness. A homelessness status variable was created which recorded four distinct states of primary homeless over the last 12 months:

- No incidence of primary homelessness;
- Single long spell of homelessness;
- Multiple spells and less than 26 weeks total duration;
- Multiple spells and 26 weeks or more total duration.

In the final analysis, the latter two categories were collapsed into one due to sample size restrictions.

The analysis of clients' current homelessness and their pattern of service use contained in Appendix E indicates that their pattern of service use was distinguishable from those who were not homeless only in respect to a small set of services. Likewise, when we examined client outcomes we found very little relationship between the clients' immediate outcomes (types of assistance received) and their current homelessness status (see Table 4.19). The only differences in immediate outcomes were in responses to 'The staff refer me to services I need to get by' and 'The centre assists me to sort out Centrelink issues'. Clients in permanent housing were more likely than those who were experiencing some form of homelessness to agree that they received this assistance. Also, the mean number of client outcomes did not vary significantly ( $p .05$ ) according to clients' current housing status (in week 52).

While our analysis on service outputs revealed the existence of some relationship between the clients' experience of homeless in the last 12 months and the type of community centre services they used, we found virtually no evidence of any relationship between experiences of homeless in the last 12 months and immediate client outcomes. In our analysis of immediate client outcomes by the number of weeks clients had been in primary homelessness during the last 12 months, the only statistically significant difference was in responses to the statement 'The centre assists me to sort out Centrelink issues'. Longer durations in no shelter were related to greater use of this assistance. Similarly, when we examined immediate client outcomes by spells and duration of homeless in the last 12 months, the only significant difference was in responses to the statement, 'The staff refer me to services I need to get by'. Clients who had a single long spell of primary homelessness were more likely to agree with this statement.

Turning now to the relationship between immediate client outcomes and clients' longer-term experiences of no shelter, we find that no significant differences in client outcomes exist by the proportion of the clients' childhood/adolescence spent in primary homelessness. This result is in clear contrast to our finding that clients' receipt of services was strongly related to their experience of primary homelessness prior to age 18. Furthermore, when we looked at immediate client outcomes by the proportion of the client's adult life spent in primary homelessness. we only found two significant differences. Clients who have spent a longer proportion of their adult life in primary homelessness were more likely to say that they had been helped to find a place to stay and to say that they know they have a place to go if they have a problem. Again this finding is in clear contrast to our finding that clients who had longer experiences of no shelter in adulthood were more likely to use a larger range of services.

**Table 4.19: Client outcomes - 'how has the centre assisted you?' by current homelessness status (per cent), community centre survey**

	<i>Primary homelessness</i>	<i>Secondary or tertiary homelessness</i>	<i>Other housing (inc. private and public housing)</i>
I wouldn't have had a meal this morning/lunchtime if it wasn't here	50	57	50
I get a low cost nutritious meal here	79	79	86
It means I get to catch up with friends, meet people and hang out with others	93	64	77
I get help with paying bills when I can't sort the problem out myself	14	21	14
The centre assists me to sort out Centrelink issues...*	50	21	14
The centre assists me with material support	43	50	27
I get health and medical support which I wouldn't get easily anywhere else	50	36	27
The staff refer me to services I need to get by.....*	50	57	18
The staff have helped me sort out legal issues	21	36	9
The staff have helped me get a place to stay	50	36	18
I know I have a place to go if I have problem	57	64	64

**Table 4.20: Client outcomes - 'how has the centre assisted you?' by per cent of lifetime in no shelter (per cent), community centre survey**

	<i>Never experienced primary homelessness</i>	<i>0 &lt; 50 per cent of lifetime in primary homelessness</i>	<i>50 to 100 per cent of lifetime in primary homelessness</i>
I wouldn't have had a meal this morning/lunchtime if it wasn't here	40	59	67
I get a low cost nutritious meal here	90	81	100
It means I get to catch up with friends, meet people and hang out with others	70	78	100
I get help with paying bills when I can't sort the problem out myself ...*	20	9	67
The centre assists me to sort out Centrelink issues...*	20	28	100
The centre assists me with material support	30	44	100
I get health and medical support which I wouldn't get easily anywhere else ....*	30	44	100
The staff refers me to services I need to get by ...*	20	44	100
The staff have helped me sort out legal issues	10	19	67
The Staff have helped me get a Place to stay	10	41	67
I know I have a place to go if I have problem	70	56	100
I know that staff will listen to me when I have problems	60	72	100

\*Significant differences between groups (p .05)

The results indicate that long-term experiences of homelessness are related to the range of services received but not to the range, or types, of immediate client outcomes. We consider that there are two possible alternative explanations for this finding. The first is that clients who have experienced long-term homelessness have more needs and therefore need more services in order to achieve the same outcomes. The second is that people with long-term experiences of homelessness use more services, but do not necessarily need them. They may get into the habit of using a large range of services, but as they do not necessarily need them, they do not gain more benefit from them. Again, it is possible to disentangle some of these competing explanations using the survey data.<sup>31</sup>

Existing research indicates that persons experiencing primary homelessness on average under-utilise low cost health services such as GPs and over-utilise high cost health services such as hospitals and emergency rooms. Our results using the *Community Centre Survey* data were more complicated. At a statistically robust level, we found a positive relationship between higher average use of some low cost health services and current homelessness status, but we did not find a relationship between current homelessness status and use of higher cost health services. This relationship was inversed when we looked at use of health services by clients' longer-term experiences of homelessness. Furthermore, existing research indicates that persons

<sup>31</sup> These issues are the subject of further inquiry. Results will be presented in the Final Report forthcoming at the end of the year.

in primary homelessness have much higher rates of contact with the justice system than persons not experiencing primary homelessness. Our survey results confirmed this finding. Overall, these results suggest that primary homelessness is associated with higher rates of contact with justice services. Furthermore, they indicate that longer lifetime experiences of primary homelessness are associated with even higher rates of contact. Appendix F provides a comprehensive treatment of the topic.

#### **4.6 Client outcomes: evidence from the administrative data**

This section presents evidence on client outcomes drawn from each of the relevant administrative data collections. The SAAP National Data Collection data provides indicators on a change in the client's accommodation status, main source of income and labour force attachment from the beginning of the support period to the point of exit from support.

We first consider the findings on accommodation outcomes (see Table 4.21). These findings indicate that a significant reduction in the incidence of primary and secondary homelessness occurs among SAAP clients by the end of their support period. We shall here focus on reporting results for 2005-06 support periods in which clients presented with a need for assistance to obtain/maintain independent housing. In 2005-06, 6.2 per cent of all relevant SAAP support periods began from a position of primary homelessness; however, primary homelessness represented only 2.0 per cent of accommodation locations on completion of the support period. Likewise, living rent-free in a house/flat represented 5.9 per cent of all accommodation states prior to the support period but only 3.8 per cent following the support period. A small fall is recorded in SAAP or other emergency housing on a 'before' and 'after support' basis: 16.3 per cent before and 15.5 per cent after. The latter figure suggests a relatively high degree of transference, or churning, from one SAAP service to another.

The results reported in Table 4.21 indicate that the reduction in primary and secondary homelessness occasioned by the provision of SAAP services is matched by a similar increase in the use of public/community housing and, to a lesser extent, private rental housing at the completion of the support period. In terms of public/community housing, the relevant share of closed support periods on a 'before' support basis in 2005-06 was 33.2 per cent; this had risen to 46.1 per cent on an 'after' support basis; the comparable figures for private rental housing are 19.4 per cent and 21.3 per cent. What these results indicate is that there is net significant transition of clients from primary and secondary homelessness to more permanent accommodation as a result of the provision of support. Stable long-term housing on exit from support gives former clients a stronger foundation on which to provide for themselves and their children and to develop stronger links to community and labour market activities.

**Table 4.21: SAAP closed support periods: type of accommodation and tenure immediately before and after a support period, WA, 2004-05 to 2005-06 (per cent)**

	<i>Closed support period in which clients needed assistance to obtain/maintain independent housing</i>		<i>All closed support periods</i>	
	<i>Before</i>	<i>After</i>	<i>Before</i>	<i>After</i>
<b><i>Year 2004-05 (type of accommodation)</i></b>				
SAAP or other emergency housing	16.7	14.5	9.6	10.2
Living rent-free in house/flat	10.9	5.8	9.5	8.5
Private rental	16.8	26.3	13.0	14.5
Public or community housing	13.2	23.6	31.7	37.0
Rooming house/hostel/hotel/caravan	5.5	5.1	6.2	5.1
Boarding in a private home	23.4	16.9	14.5	13.3
Own home	3.9	1.5	3.7	2.9
Living in a car/tent/park/street/squat	4.1	0.9	6.2	1.8
Institutional	3.6	4.4	4.5	5.4
Other	1.9	0.9	1.2	1.2
Total	100.0	100.0	100.0	100.0
<b><i>Year 2005-06 (type of tenure)</i></b>				
SAAP/CAP funded accommodation	11.6	10.6	11.3	12.2
SAAP/CAP crisis/short-term accommodation	8.5	4.7	8.5	7.5
SAAP/CAP medium/long-term accommodation	1.4	4.2	1.4	3.1
Other SAAP/CAP accommodation	1.7	1.7	1.5	1.6
No tenure	8.4	1.9	10.2	5.8
Institutional setting	3.4	0.9	3.7	3.4
Improvised dwelling/sleeping rough	4.4	0.4	6.2	2.0
Other no tenure	0.6	0.6	0.3	0.3
Tenure	79.8	87.5	78.4	82.0
Purchasing/purchased own home	3.3	2.4	3.6	2.9
Private rental	24.6	36.7	19.4	21.3
Public housing rental	13.6	21.5	21.3	24.8
Community housing rental	2.4	3.9	11.9	13.6
Rent-free accommodation	11.0	4.8	5.9	3.8
Boarding	25.0	18.3	16.3	15.5
Total	100.0	100.0	100.0	100.0

Source: Homeless People in SAAP, SAAP National Data Collection, Annual Report, Western Australia Supplementary Tables 2003-04 to 2005-06.

Note: Estimates have been weighted to account for agency non-participation and client non-consent.

**Table 4.22: SAAP closed support periods: source of income immediately before and after a support period, WA 2004-05 to 2005-06 (per cent)**

	<i>Closed support period in which clients needed assistance to obtain/maintain a pension or benefit</i>		<i>All closed support periods</i>	
	<i>Before</i>	<i>After</i>	<i>Before</i>	<i>After</i>
<b><i>Year 2004-05</i></b>				
No income	13.7	4.6	5.9	4.0
No income, awaiting pension/benefit	1.4	1.2	0.7	0.5
Government pension/benefit	78.0	87.9	86.0	87.9
Other	6.9	6.4	7.4	7.7
Total	100.0	100.0	100.0	100.0
<b><i>Year 2005-06</i></b>				
No income	15.4	7.3	6.6	4.4
Government payments	77.2	83.8	85.7	87.0
Other	7.4	8.9	7.7	8.6
Total	100.0	100.0	100.0	100.0

Source: Homeless People in SAAP, SAAP National Data Collection, Annual Report, Western Australia Supplementary Tables 2004-05 to 2005-06 (AIHW 2006c, 2007a).

Note: Estimates have been weighted to account for agency non-participation and client non-consent.

**Table 4.23: SAAP closed support periods, employment before and after the provision of support, community centre survey (per cent)**

	<i>Closed support period in which clients needed assistance to obtain/maintain employment and training</i>		<i>All closed support periods</i>	
	<i>Before</i>	<i>After</i>	<i>Before</i>	<i>After</i>
<b><i>Year 2004-05</i></b>				
Employed full-time	4.2	11.6	2.9	4.0
Employed part-time/casual	11.0	12.4	7.8	8.5
Unemployed (looking for work)	45.1	36.2	23.2	21.1
Not in labour force	39.8	39.8	66.1	66.4
Total	100.0	100.0	100.0	100.0
<b><i>Year 2005-06</i></b>				
Employed full-time	6.4	14.0	4.4	6.1
Employed part-time/casual	7.9	13.7	8.3	9.1
Unemployed (looking for work)	40.7	33.2	22.2	19.8
Not in labour force	45.0	39.2	65.1	65.0
Total	100.0	100.0	100.0	100.0

Source: Homeless People in SAAP, SAAP National Data Collection, Annual Report, Western Australia Supplementary Tables 2000-01 to 2004-05 (AIHW 2006c, 2007a).

Note: Estimates have been weighted to account for agency non-participation and client non-consent.

Table 4.22 presents 'before' and 'after' client outcome findings for the main source of income indicator. We focus on 2005-06 closed support periods in which clients needed assistance to obtain/maintain a pension or benefit. For this subset of 2005-06 support periods, 6.6 per cent began with clients reporting no income; however, only 4.4 per cent of relevant closed support periods ended with clients in receipt of no income. The proportion of support periods where the main source of income was receipt of government pension/benefit increased, while the number of clients not accessing income support payments decreased. In terms of all closed support periods, the prime source of income on exit from support remains predominantly government pensions/benefits, with this being the main source of income for 87.9 per cent of support periods. There is little apparent movement into wage and salary income as the main source of income following the provision of support.

We now turn to the third of the SAAP NDC client outcome indicators, namely, the labour force status of clients. Table 4.23 indicates that, in respect to closed support periods in which clients needed assistance to obtain/maintain employment and training, a number of clients moved into full-time employment at the end of the support period. In 2005-06, 4.4 per cent of relevant closed support periods had clients who were in full-time employment prior to the support period; this share had risen to 6.1 per cent on an 'after' support basis. The share of relevant closed support periods taken by clients who were unemployed on a 'before' and 'after' support basis consequently fell. The vast majority of relevant closed support periods, however, still end with clients remaining either unemployed (19.8 per cent of 2005-06 closed support periods) or not in the labour force (65.0 per cent of 2005-06 closed support periods). Most clients accessing SAAP services face significant barriers to employment including lack of training, education, qualifications or job experience, a history of long-term unemployment, serious mental and physical health problems, and lack of life skills, self-esteem and motivation.

The SHAP administrative data include four agency-assessed client outcome indicators. These are:

- Whether the client's position has improved, declined or remained constant;
- Whether external factors impinging on the tenancy have improved, declined or remained constant;
- Whether the client's commitment to SHAP has improved, declined or remained constant;
- Anticipated future progress of clients on the program.

Findings in respect of these indicators are presented in Table 4.24. For the last six month reporting period (1 January to 30 June 2006), 44.9 per cent of SHAP clients were assessed as having improved their position, while for 12.0 per cent a worsening of their position was evident. Assessments are based on client outcomes with respect to rent arrears, property standards, tenant liability, damage, anti-social behaviour and tenancy breaches.

The external factors client outcome indicator refers to clients presenting with issues surrounding financial problems, financial management issues, problem with visitors, violence, health issues, child management issues and alcohol and drug problems. This indicator has been discontinued. The last 6-month reporting period for which data is available (second half 2005) indicated that external factor outcomes had improved for 47.8 per cent of clients, remained constant for a further 36.2 per cent of clients and declined for 16.0 per cent of clients.

Table 4.24: SHAP client outcomes, 2004-06 and 2005-06

	<i>2004-05 (1)</i>		<i>2005-06</i>					
	<i>1 July 2004 – 31 December 2004</i>		<i>1 January 2005 – 30 June 2005</i>		<i>1 July 2005 to 31 December 2005 (2)</i>		<i>1 January 2006 to 30 June 2006 (4)</i>	
	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>
<b><i>Improvements in client outcomes</i></b>								
Improved	155	45.6	200	57.8	197	55.3	123	44.9
Remained constant	148	43.5	109	31.5	105	29.5	118	43.1
Declined	37	10.9	37	10.7	54	15.2	33	12.0
Total	340	100.0	346	100.0	356	100.0	274	100.0
<b><i>Resolution of external factors</i></b>								
Improved	149	43.8	199	57.5	152	47.8	na	na
Remained constant	150	44.1	116	33.5	115	36.2	na	na
Declined	41	12.1	31	9.0	51	16.0	na	na
Total	340	100.0	346	100.0	318	(2) 100.0	na	na
<b><i>Commitment to SHAP</i></b>								
Improvement	142	41.8	187	54.0	190	54.9	90	33.0
Remained constant	153	45.0	114	32.9	87	25.1	130	47.6
Declined	45	13.2	45	13.0	69	19.9	53	19.4
Total	340	100.0	346	100.0	346	(3) 100.0	273	100.0
<b><i>Anticipated future progress of clients on the program (at the end of the reporting period)</i></b>								
Successful exit likely within 3 to 6 months	80	39.4	118	37.1	124	40.3	83	46.9
Successful exit likely within 6 to 12 months	43	21.2	80	25.2	73	23.7	37	20.9
Need for long-term or episodic support	55	27.1	71	22.3	42	13.6	24	13.6
Lack of participation may result in withdrawal	19	9.4	27	8.5	44	14.3	19	10.7
Homeswest requested ongoing support	6	3.0	22	6.9	25	8.1	14	7.9
Total	203	100.0	318	100.0	308	100.0	177	100.0

Notes: (1) For the June-December 2004-05 reporting period, the estimates include clients from three special SHAP projects: the SHAP Homeless Advisory Service Tenant Support Service, an intensive family support program and a community housing headleasing special project. For all other reporting periods, the estimates exclude the first two of these projects, except in July-December 2005 where estimates for the community housing headleasing project are yet to be included in the figures.

(2) The number of clients listed for the 'resolution of external factors' item falls short of the total number of clients on the program.

(3) The number of clients listed for the 'commitment to SHAP' item falls short of the total number of clients on the program.

(4) Estimates for the 1 January 2006 to 30 June 2006 reporting period are incomplete. Not all agencies have used the same reporting structure, leading to some inconsistencies in the estimates.

Client commitment to SHAP remained at the same level for around half the clients on the program (47.6 per cent), with around one-third recording a greater commitment to SHAP and the remainder showing a decline. Commitment to SHAP refers to willingness to meet with caseworkers and to address the issues they were initially referred for. Around 46.9 per cent of existing SHAP clients were expected to exit the program within 3 to 6 months, with a further 20.9 per cent expected to exit in a 6 to 12-month period. A further 13.6 per cent of clients were expected to need long-term or episodic support and, in 7.9 per cent of cases, Homeswest requested ongoing support.

Over 70 per cent of clients were expected to exit SHAP successfully in the future in the latest 6-month reporting period (first six months of 2006). A further 13.6 per cent were expected to need long-term or episodic support, while 10.7 per cent were viewed as being in a tenuous position with a lack of participation potentially resulting in withdrawal from the program. Finally, the support period for 7.9 per cent of clients was expected to be extended arising out of a request from Homeswest for continued support.

Table 4.25 provides details, drawn from program administrative data sources, on TASS and Re-entry Link program exit outcomes, examines reasons for exiting the respective programs, and client accommodation, employment, and training courses outcomes at the completion of the support period. In addition, the rate of recidivism (return to jail) for those supported by the programs is presented. The results for TASS clients need to be treated with some caution, given the relatively small number exiting this program in a given period of time.

The most common reason for an exit from the program is simply that the time-limited support period had ended. Recall that TASS and Re-entry support periods last for up to 6 months following exit from jail. Around 30 per cent of all exits are as result of the time-limited support period ending. Support for the client may cease before the time for the support period is up for a range of other reasons. The two most important are that the client disengaged from the service and that the client moved location and away from the geographical support reach of the service provider. Together these reasons represent around 40 per cent of all exits. Other important sources of client exit, representing in total around 25 per cent, include the fact that clients returned to jail, were uncontactable or the program was deemed to be no longer suitable for them.

A client is likely to become unsuitable for a program when their release date is changed. A client may be assessed and accepted onto one of the two programs prior to release from prison, but may not be granted parole, consequently requiring service providers to exit the client as their release date has changed and their next parole review date falls outside the three month support period.

The often transient and complex lifestyles experienced by those exiting prison are likely to affect client exit outcomes. A host of issues must be addressed by clients and service providers following re-entry into the community, including attending parole, health or mental health appointments, dealing with family related issues (unification with partner/children or rebuilding damaged relationships), fulfilling parole conditions such as attending courses, as well as finding employment and securing long-term accommodation. These pressures often result in a client disengaging with service providers; this is especially the case because the two programs are voluntary. For the Re-entry Link program, the primary target group is those prisoners being released on finite sentence, i.e. clients have completed their sentence and are not required to fulfil parole conditions. As clients are not required to attend parole, case managers often have difficulties in contacting clients once they begin to disengage with the program.

**Table 4.25: TASS and re-entry link exiting clients, 2003-04 to 2005-06**

	<i>TASS</i>		<i>Re-entry link</i>	
	<i>2004-05</i>	<i>2005-06</i>	<i>2004-05</i>	<i>2005-06</i>
<b><i>Exiting clients: reason for exit (per cent) June quarter</i></b>				
Support period finished	20.0	30.0	20.4	30.9
Client disengaged	33.3	10.0	19.7	20.1
Client imprisoned	6.7	30.0	5.1	5.4
Transferred to another program	6.7	0.0	2.5	2.7
Service provider disengaged	6.7	0.0	3.2	0.0
Client moved	20.0	10.0	19.7	16.1
Breach of parole	0.0	10.0	0.0	0.7
Unable to contact client	0.0	10.0	18.5	8.1
Client referred	0.0	0.0	1.3	0.7
Program no longer suitable	6.7	0.0	9.6	10.7
Successfully completed the program	0.0	0.0	0.0	4.7
Total	100.0	100.0	100.0	100.0
<b><i>Exiting clients (excluding those re-incarcerated): moved to permanent accommodation (per cent)</i></b>				
Yes	32.8	39.2		
No	67.2	60.8		
Total	100.0	100.0		
<b><i>Exiting clients (excluding those re-incarcerated): accommodation placements (June quarter) (per cent)</i></b>				
Private			18.9	24.2
Public housing			3.1	3.4
Refuge			0.0	3.4
Other			50.4	45.0
Total accommodated			72.4	75.8
Not accommodated			27.6	24.2
Total			100.0	100.0
<b><i>Exiting clients: post-release employment (per cent)</i></b>				
Employed	24.1	9.8	11.1	12.2
Not employed – seeking employment	51.7	33.3	23.8	40.0
Not employed – not ready (including those re-incarcerated)	24.1	56.9	65.1	47.8
Total	100.0	100.0	100.0	100.0
<b><i>Exiting clients: participation in training courses (per cent)</i></b>				
Undertaking training	43.1	37.3	31.4	27.6
Not undertaking training	56.9	62.7	68.6	72.4
Total	100.0	100.0	100.0	100.0
<b><i>Return to jail</i></b>				
Clients serviced (number)	80.0	79	802.0	929.0
Clients who returned to jail (number)	21.0	27	177.0	170.0
Clients who returned to jail (per cent)	26.3	34.2	22.1	18.3

The remaining reasons for client exit from the program include that the client was assessed as having successfully completed the program prior to the conclusion of the support period, the client was transferred to another program, the service provider disengaged from the client, there was a breach of parole and the client was referred to another program. There are some major movements in the reasons for exit over time but, given that the programs are in their infancy, it is difficult to disentangle the various factors involved, including changes in record keeping, improvements in strategies for engaging clients or changes in client composition or behaviour.

Accommodation outcomes for clients in the TASS and Re-entry Link programs are presented in different ways in the administrative data. In the TASS program, clients are accommodated in public housing dwellings on 6-month fixed-term leases following exit from prison. At the point of exit from the program, service providers indicate whether TASS clients (who were not re-incarcerated) moved to a long-term accommodation option, including a private rental tenancy or long-term public housing lease or other permanent form of accommodation. In only 39.2 per cent of cases in 2005-06 did clients secure permanent accommodation following their exit from the programs.

The fact that, in the majority of cases, exit from the program was not accompanied by a move to permanent accommodation may reflect that a high proportion of exits occur prior to the timed end of the support period and involve the client moving or disengaging from the program. It may be the case that the accommodation outcomes for this category of exits are simply not known. If that were the case, then it would suggest that the majority of clients who complete the program for its entirety do obtain permanent accommodation. Those who do not complete the program may be more likely to find difficulties in obtaining permanent accommodation and as a result find themselves in a more vulnerable position and more likely to re-offend. From a policy perspective, it would be important to know the accommodation and recidivism outcomes for this category of clients.

In the Re-Entry Link program, accommodation outcomes on exit from the program are broken down into a number of categories including private rental accommodation, public housing, refuges or other forms of accommodation. The 'other' accommodation category is not further disaggregated. As with the TASS program, accommodation outcomes for clients who were re-incarcerated prior to the notional completion of the support period are excluded from the results. In 2005-06, around a quarter of clients were in private rental accommodation at the point of exit from the program, 24.2 per cent of client exits in 2005-06 compared with 18.9 per cent in 2004-05. For ex-offenders, accessing the private rental market is very difficult, as many do not have the references required. Financial constraints are also likely to represent a major barrier to their entry to the private rental market. Public housing and crisis or emergency accommodation placements account for a further 6.8 per cent of client exits. This suggests that the public housing accommodation channel is either not accessible in a timely manner or may not be sought after by Re-entry Link clients. The majority of Re-entry Link client exits are in the 'other' accommodation category. As with the TASS program, a significant proportion of the this category may refer to clients who exited the program prior to the completion of the support period and, as such, the accommodation outcomes for this group are not known.

Nearly half of all TASS and Re-entry Link clients are not employed and not currently looking for work at the point at which information is recorded for this item, i.e., they fall in the 'not in the labour force' category. Such clients may be unable to work, may face persistent mental or physical health issues, parole commitments, or experience other barriers to employment, including the lack of life skills, criminal records, long periods

of unemployment or non-employment prior to their latest jail sentence, and low levels of education and training. Estimates of the proportion of clients not employed and seeking employment (notionally, those who are unemployed) vary across the two programs and across the two years for which the evidence is available but, as a rough guide, around 30 to 40 per cent of clients are unemployed in the post-release period. Only 10 to 15 per cent are in jobs. Around one-third of TASS and Re-entry clients are enrolled in training courses. Enrolment in such programs enable those clients without jobs and who are not job-ready to gain skills and competencies which enhance their employment prospects.

Of the 80 clients who accessed TASS services for the period of 2004-05, 26.3 per cent returned to prison. For 2005-06, 27 clients out of 79 (34.2 per cent) returned to prison. For the Re-entry Link program, 22.1 per cent returned to prison for 2004-05, and 18.3 per cent for 2005-06. This compares with the current recidivism rate for WA, measured as the number who returned to prison with a new correctional sanction within two years, was 40.6 per cent. Data from both programs suggests that holistic intervention services are proving beneficial in lowering rates of recidivism and making a positive contribution to the lives of those who have previously returned to prison on a number of occasions.

## 4.7 Summary

As indicated in Chapter 3, homelessness program administrative data sources provide good evidence of the background of homelessness program clients, their needs and the services provided to them. The *Client Survey* and *Community Centre Survey* complement the administrative data by addressing the issue of the pathways that clients follow moving into support, their histories of homelessness and, most importantly, their outcomes. It also provides further insights into the needs of clients and services provided, particularly in respect of homelessness programs where administrative data sources are at the early stage of development.

Our analysis of the histories of homelessness experienced prior to 18 further builds a picture of clients of homelessness programs having experienced an unstable early background with periods of primary homelessness, temporary accommodation and unsafe living environments. From the age of 18, the incidence of each of these forms of marginalised living increases, as does the duration of time spent in them. Significant numbers of respondents report currently experiencing a mental health condition, with over two-thirds of these taking medication. Close to a third of all respondents experience a long-term physical health condition, and around a fifth express concerns about their own alcohol and drug use. What the above evidence suggests is that most clients present at homelessness programs with histories of primary, secondary and tertiary homelessness, most women enter services with current and past experiences of domestic and family violence, and many clients currently experience a mental health condition and express concerns about their drug and alcohol use. Clients typically present with multiple needs requiring ongoing or intensive support. Their self-esteem, own-assessed quality of life and satisfaction with various dimensions of life are very low relative to Australian norms. It is against such a background that the outcomes of clients need to be assessed.

The evidence from the *Client Survey* is that clients report a significant improvement in life satisfaction outcomes as a result of the assistance they have received from agencies. The vast majority indicated that it was 'very important' to receive assistance and help from the service in meeting their needs. In terms of the position of study participants at the follow-up point, all those who had been in primary homelessness or temporary accommodation prior to support and who completed the follow-up survey

remained housed at the follow-up survey point. Likewise, the vast majority of those who prior to the support period were in private rental accommodation or public housing and were at imminent risk of homelessness remained in this position at the follow-up stage. In terms of employment and income indicators, positive net movements were evident in terms of both higher income and access to jobs, but the number experiencing positive income and employment changes was small.

Satisfaction with various aspects of life continued to improve across most dimensions for those who completed the follow-up survey.

## 5 QUALITATIVE RESEARCH FINDINGS

### 5.1 Introduction

The qualitative component of this project sought to complement and enhance the data gathered through the *Client Survey* and *Community Centre Survey*. The research design of the project recognises that the quantitative analysis does not readily highlight the complex and sensitive dynamics involved in affecting change for people who are homeless or at risk of becoming homeless. The inclusion of this qualitative chapter moves some way towards capturing the day-to-day experiences of people who are homeless, the experiences of service providers and the relationship between these groups. This chapter will highlight the views these two groups hold about the costs, consequences and outcomes of both receiving and not receiving assistance.

As outlined in the Positioning Paper (Flatau et al. 2006), the qualitative analysis was organised around the concepts of needs, outcomes, effectiveness, voices and lived experience. The research team paid particular attention to accessing participants from different backgrounds and presenting needs. We adopted a purposeful sampling strategy aiming to include a range of genders, ages, cultural identifications, disability status, homelessness histories and service types in order to adequately represent the diverse range of needs, outcomes and lived experiences of participants.

The qualitative data for this chapter has been drawn from two sources: (1) in-person, in-depth interviews and (2) qualitative comments contained in the *Client Survey* (both Wave 1 and the 3-Month and Exit waves). As discussed in the Positioning Paper, the research team used an interview format that would allow researchers to explore the participants' experiences.

As the aim of this chapter is to provide a contextualised understanding of the effectiveness of homelessness programs and the costs associated with homelessness, it has been structured around the key themes of costs, consequences and outcomes resulting from receiving and not receiving services related to homelessness. In Section 5.2, we focus on the in-depth interview cohort and examine what we learn from the qualitative interviews about the personal costs associated with being homeless, the consequences and outcomes of receiving assistance, and the consequences and outcomes of not receiving assistance. In Section 5.3, we outline findings from client and caseworker comments on the effectiveness of support contained in the *Client Survey*. We first highlight the impact that receiving assistance has on clients and then consider the reverse case, that of not receiving assistance. In the final section, we outline the key themes drawn from both the in-depth client interviews and the qualitative responses contained in the *Client Survey*.

Appendix G outlines the methods involved in developing a sample of participants for in-depth interviews and the ethical considerations and practices adhered to by the research team.

### 5.2 Client in-depth interview findings

#### 5.2.1 *The causal factors involved in homelessness*

The Positioning Paper for this project provided an in-depth exploration of the factors that can lead to homelessness (see also the brief discussion in Chapter 2). These factors combine both structural and individual determinants which emphasise a 'pathways' approach to understanding the complexities that revolve around homelessness. For the participants in this research project, four main contextual factors impacting on homelessness pathways have been identified: family of origin

issues, release from prison, problematic substance use, and domestic and family violence.

### **Family of origin issues**

Participants spoke of experiences within their families of origin that led them to becoming homeless at an early age, or later on in life, as a result of unresolved problems and issues. Some examples include:

- R1 consistently ran away from home at the age of 14 as she was sexually abused by her father and experienced physical abuse from her mother and father. She was returned by the police to the family home on numerous occasions, despite having disclosed her sexual abuse experiences to her mother. She elected not to tell the police as she did not think she would be believed, given that her mother had denied the sexual abuse was occurring.
- Y1 told the researchers he was 'kicked out' of home as an adolescent because of his problematic substance use and his 'dealing' of drugs.
- Y2, an older male, was taken out of school by his parents at the age of 12 because teachers said he was not academically talented. His parents sent him to work away from their family home, which was the beginning of his experiences of homelessness. He moved around from this age, seeking work and not having secure or stable accommodation. In addition, he developed problematic alcohol use patterns from a young age. These patterns have led him to experience extended periods of housing instability and crisis.
- Y6 was taken from her family at the age of 14 and placed in an Aboriginal mission, which signalled the beginning of her long-term risk of homelessness.
- R3's first experience of homelessness was at the age 6 when his mother took him to a women's refuge due to domestic violence. He was then placed in foster care at the age of 12, as he reports that women's refuges would not accept him because of his age and gender and the ongoing incidence of domestic violence in his family.

This data indicates that family of origin experiences can directly cause homelessness or, in some cases, early incidents can lead to instability causing homelessness and housing crisis throughout the lifespan. Also evident from the above stories is the flow-on effect for participants, resulting from early experiences of homelessness.

### **Release from prison**

A number of participants spoke of how release from prison triggered their first experience of homelessness. Some had served lengthy sentences (one spoke of being released after 14 years), others spoke of ongoing short-term prison stays coupled with periods out of prison involving insecurity and instability in terms of housing and homelessness.

### **Problematic substance use**

Most participants identified problematic substance use as having been a major factor in their becoming homeless. It is important to note that this was not necessarily a stand-alone factor. In conjunction with other variables, substance use contributed to the risk and experience of homelessness. Some examples of this include:

- Y7 noted that his alcohol use has led to him losing and being unable to maintain employment, hence contributing to his financial insecurity and increasing his risk of homelessness.

- Y4 identified that one of the ways she coped with a long-term domestic and family violence relationship was to misuse a variety of substances. This has then led to mental health concerns, and ongoing housing and relationship instability.
- Y3 indicated that a long-term problematic substance use pattern in his life had increased his risk of homelessness, along with exacerbating behaviour like being a perpetrator of domestic and family violence towards various intimate partners.
- R2 did not identify as having problematic substance use, however, he noted that he often sleeps rough when he uses large quantities of alcohol and cannabis.

### **Domestic and family violence**

Participants referred to the fact that domestic and family violence had shaped their particular experiences of homelessness. For women, this involved being survivors of domestic and family violence, within both family of origin homes and intimate, partnered relationships. These women discussed how despite the relationships ceasing, their ex-partners continued to perpetrate violence and abuse against them, including through stalking. This highlighted to the researchers how domestic and family violence continues well beyond the end of the relationship, as documented in other Australian research (Chung et al. 2000; Patton 2003; Edwards 2004).

Within the interview sample group, some men self-identified as perpetrators of domestic and family violence. They noted that their behaviour, coupled with other issues like problematic substance use, had increased their risk of homelessness and actual experiences of homelessness. Perpetrating violence also led some of these men to experience other consequences, including ongoing involvement with the police and legal systems.

### **Other factors leading to homelessness**

Several other factors that led to homelessness were also highlighted in the interviews. These included death of a spouse, mental health issues and difficult family relationships. In the context of her spouse's death, one interviewee discussed the effect this had on her life. Importantly, her housing tenure had been stable within the rental market for all of her adult life, but upon the death of her spouse she was subjected to inappropriate behaviour by extended family members. This led to the interviewee and her disabled son being evicted from her tenancy and experiencing extended periods of primary homelessness.

Mental health/illness contributed to periods of homelessness for some participants. Y7 discussed at length his periods of 'darkness' and how these had led him to lose employment, sleep rough and remain disconnected from his family. For Y5, mental health problems resulted in her having her children removed and living on the streets for extended periods of time. Importantly, these experiences highlighted the fact that, when significantly affected by mental health conditions, interviewees felt they were unable to function in the broader community and further that they did not 'trust the broader community to provide a support network' (Y7).

A final factor raised in interviews was the issue of family interference. Two respondents commented that their periods of homelessness resulted from problematic relationships within their family of origin, with the main problem concerning allegations of parental sexual abuse that had been denied by the parent in question. Both had subsequently 'run away from home' and over the ensuing years had had troubled relationships with their parents. Of significant importance in this context is that both participants commented that their family of origin continued to interfere in their lives in various forms. R1 discussed with the researcher how her ongoing problematic relationships with her family of origin had continually placed her at risk of

homelessness. This often involved her having to move away from her family (including interstate) in order to escape their interference. Y9 also discussed at length with the researcher how her mother 'hounded' her over the years since her initial allegation of sexual abuse by her stepfather.

### *5.2.2 The personal costs of homelessness*

The preceding discussion of the contextual factors that can lead to an episode of homelessness highlights both its dynamic nature and the complexity of events that result in experiences of homelessness. As part of the interview process, the participants also commented on the personal costs that resulted from these experiences. In the context of this project, personal costs refer to the impact which homelessness has had on the person's life. They may not necessarily result in a direct economic cost, but they do contribute to further and often longer spells of homelessness.

A number of themes regarding the personal costs of homelessness were evident from the interviews. They include safety, inability to trust others, the cumulative effects of substance use and other health concerns, ongoing mental health concerns and disconnection or social exclusion.

The issue of safety was the matter raised most by interview participants. The women in the interview cohort commented that primary homelessness for them was particularly unsafe and, as such, was used on a 'no other option' basis. All of them stated that they had experienced primary homelessness at one time or another and that these episodes triggered their own particular problems and concerns. They reported that, during episodes of primary homelessness, they were constantly on guard against assault, having property taken and being detained by the police.

Male participants also raised the issue of safety. While they did not consider primary homelessness as necessarily a last option, several commented that they needed to be aware of others when living rough as it was seen as 'a violent way of life' (Y2). Importantly for this group, the issue of safety referred to security of possessions and being interrogated by the police, rather than being the target of assault.

A second theme that emerged from the in-depth interviews was that of the inability to trust others. Trust in others plays an important role in developing social networks and attachments to others (Li et al. 2005; Glaeser et al. 2000). Therefore, any reduction in the ability to trust others can impact on the ways in which people move through homelessness and also through homelessness support services. A number of the interview participants commented that it was important to trust the staff at particular centres as they could help, but that you 'can't really trust too many people because nothing ever changes' (Y4). Trust in others is a necessary component of gaining assistance and changing one's life, however, trust in the institutions and processes involved in change is often lacking.

A further personal cost of homelessness is the accumulated effects of substance misuse and other health concerns. Most of the participants in this interview cohort commented that they had some substance misuse and related health concerns. However, they also commented that they would rarely consult a doctor about their problems. Four said that if they were unwell or in need of health assistance, they would use emergency health services rather than visit a general practitioner. In terms of physical health, most commented that they had developed a range of problems such as significant weight loss, skin rashes, ear and eye problems, and heart and stomach problems.

Many studies have examined the role of mental illness in the onset of homelessness (Sullivan, Burnman and Keogal 2000; Parker, Limbers and McKeon 2002). For many of the participants in the interview cohort, extended periods of homelessness exacerbated underlying mental health conditions. However, participants in the study commented that they did not regularly consult with doctors or health care professionals. Therefore, for several of these participants, their ongoing mental health issues were not being adequately addressed. During the course of two interviews, participants commented that they had seriously considered suicide as a way out of ongoing homelessness.

Disconnection from others and from the wider community was also a major theme running through the interviews. This often led to feelings of social exclusion; as one participant commented about trying to secure rental accommodation from a government agency, 'They didn't want to know me, I was somehow invisible' (Y4). Numerous authors have discussed the ways that homelessness causes social exclusion, and social exclusion causes homelessness (Please 1998; Somerville 1998; Arthurson and Jacobs 2003; Greenhaigh et al. 2004). Most participants in this project experienced some form of social exclusion leading to homelessness.

### *5.2.3 Accessing homelessness and other support services*

A key component of the qualitative analysis involved the exploration with interview participants of their utilisation of homelessness and other general programs. A range of services were noted as being accessed, with the two most commonly used being crisis accommodation and community centres. The latter appeared to be particularly important during periods of primary homelessness in terms of showers, meals and general welfare services. Table 5.1 provides an overview of the services accessed by participants and the outcomes associated with the provision of support.

Accessing homelessness services can have positive outcomes and consequences that enhance people's quality of life. This is particularly evident in regard to drug and alcohol related programs, crisis accommodation, tenancy support programs and Community Centres. However, not all requests for assistance led to positive outcomes or consequences as is evident from interviewee responses to domestic violence perpetrator programs, Homeswest accommodation and mental health programs.

Two important points regarding the issue of the effectiveness of homelessness programs and other related services arose from the interviews. First, while access to such programs and services often leads to positive outcomes, the provision of assistance clearly does not, of itself, necessarily produce such positive impacts.

Second, interview participants commented on the importance of an attitude of perseverance and determination in gaining the best outcomes from assistance, that 'not giving up' was necessary to turn their life around and gain secure housing. A belief in the client by service providers was also noted as important in facilitating positive outcomes. Regarding the importance of attitudes, participants commented:

'I didn't want to waste my life any more';

'I just made the decision that it's important for my kids to know who their dad is. I don't want to go back to jail again because I won't be able to see my kids';

'I just kept on going to different agencies to get someone to help me and my son find a house, I just couldn't give up'.

**Table 5.1: Services accessed and outcomes – interview participants**

<i>Service type</i>	<i>Outcomes</i>
Alcohol and drug/substance use programs	<ul style="list-style-type: none"> <li>→ Drug/alcohol free (although relapse indicated in a number of cases).</li> <li>→ Completion of detoxification program</li> <li>→ Able to regain employment as substance free</li> <li>→ Less frequent use of overnight stays in detoxification centre</li> <li>→ Receiving regular treatment (e.g. methadone program)</li> </ul>
Domestic and family violence perpetrator programs	<ul style="list-style-type: none"> <li>→ Continued violence against partner</li> <li>→ Violence restraining order (VRO) against participant</li> <li>→ Breach of VRO by participant</li> <li>→ Participant assaulted a police officer and received one year custodial sentence</li> </ul>
Crisis and medium-term accommodation	<ul style="list-style-type: none"> <li>→ Accommodated (varies from short-term crisis response to long-term independent accommodation)</li> <li>→ Support, encouragement</li> <li>→ More positive view about future</li> <li>→ Goal setting</li> <li>→ Long-term professional relationships with workers in agencies – an ongoing source of support.</li> <li>→ Continued homelessness as services are experienced as unsuitable or intrusive and participant refuses to access</li> </ul>
Homeswest	<ul style="list-style-type: none"> <li>→ Housed (although most interview participants were evicted from this type of housing)</li> </ul>
Tenancy support programs	<ul style="list-style-type: none"> <li>→ Housed</li> <li>→ Increased stability and security</li> <li>→ Support, encouragement</li> <li>→ More positive view about future</li> <li>→ Goal setting</li> <li>→ Making changes in relation to tenancy responsibilities and behaviours.</li> <li>→ Improvements in physical and mental health</li> <li>→ Family reunification</li> </ul>
Mental health programs	<ul style="list-style-type: none"> <li>→ Refused hospitalisation</li> <li>→ Receiving treatment</li> <li>→ Improved mental health</li> </ul>
Day centres	<ul style="list-style-type: none"> <li>→ Ongoing support</li> <li>→ Practical needs (showers, food, washing clothes) met</li> <li>→ Professional relationships</li> <li>→ Case management</li> </ul>
Centrelink	<ul style="list-style-type: none"> <li>→ Reinstated on income support after being suspended from payments due to non-compliance with participation requirements (facilitated by crisis accommodation services and day centres)</li> </ul>

Notwithstanding the crucial role played by individual perseverance and determination in achieving positive outcomes, interview participants commented on the role of wider constraints in affecting this. As one commented:

'I am trying to really change my life for my kids, but how am I going to find permanent accommodation with my past being in and out of jail?

We present briefly two participants' stories of interactions with services below.

Y5 was a resident of a single men's crisis accommodation service at the time of the interview. He identified that he was a perpetrator of domestic and family violence against his partner, whom he had separated from on many occasions. During the separations, he had continued to request financial and practical assistance from his ex-partner. He also made the same requests of his family, who responded in a variety of ways. After reconciling with his partner, he perpetrated further violence against her. In response, she applied and obtained a violence restraining order. Y5 breached the order and, during one of these breaches, he assaulted a police officer, thereby bringing himself into contact with the justice system and the police. As a result of this assault Y5 received a one year custodial sentence. He said that he had attended anger management courses on many occasions, yet his violence continued.

Y6 had maintained a tenancy for many years until 2003 when her spouse passed away. She became vulnerable to exploitation from extended family members, which ultimately led to her being evicted from a public housing tenancy. At that time, she sought assistance to be rehoused, but was unsuccessful in these attempts. She was the principal carer for her adult wheelchair bound son. She found she had no choice but to set up a camp in bush in the northern suburbs. She and her son experienced primary homelessness for nine months. She visited the Aboriginal Legal Service (ALS) about another matter and a worker drove her 'home'. Upon seeing the conditions in which she and her son were living, the worker organised for them to move to a local Indigenous housing cluster. Y6 said she was an 'outsider' in the camp and subsequently found this a difficult experience. She moved in with one of her daughters and, shortly after, experienced serious health issues. After recovering, she managed to access housing through a community housing group and was referred to a tenancy support program. At the time of the interview, Y6 commented on feeling happy and settled, noting that the ALS had set the ball rolling in terms of her moving to more permanent and suitable accommodation.

#### *5.2.4 Problems of non-access of homelessness and other services*

Not all those interviewed were able to access homelessness and related services they needed to or, if they did, to access them at the appropriate levels. Half of the interview participants commented that the present occasion of support represented their first formal request for assistance but not their first episode of being homeless.

The primary reason for non-utilisation of homelessness services, for those who had not previously done so, was that they simply did not know about their existence or, if they did, how to access them. An obvious consequence of this is that people become or remain homeless. However, a range of other outcomes can also be identified as a result of not accessing services, including:

- Placing a strain on family and friends;
- Being suspended from Centrelink income support payments;
- Loss of employment;
- Incapacity to secure employment;
- Poor nutrition and general self-care.

Each of these outcomes has serious detrimental impacts on the person involved. However, two demand further explanation. The issue of non-access placing a strain on family and friends was identified by several interviewees. Non-access to supported accommodation services meant staying with family or friends until accommodation could be secured. For two participants, this resulted in 'support burnout' (Anderson and Rayens 2004, p. 15), in other words, relations with the support family became fractured. In effect, 'couch surfing' or 'concertina housing' can compromise the position of a number of households such that the support family's housing tenure can also be placed at risk.

The lack of provision of supported accommodation services and other forms of assistance at the level required can have a wide range of detrimental impacts for the person concerned and their family. Adverse outcomes identified in the interview responses included:

- Compromised mental health;
- Ongoing and increased problematic substance use;
- Inability to care for children;
- Declining physical health;
- Moving away from known and familiar areas to escape domestic and family violence;
- Social isolation.

The inability to care for children was of significant concern for the women involved in the interviews. Three commented that, due to not being granted appropriate housing, they had at various times to 'give up their children' or to 'put children in care'. This had a devastating effect on their lives, as without the children 'everything goes downhill'. As one said, 'Keeping the family together is the difference between life and death – between losing your kids and your life and keeping it all together' (Y4).

One of the aims of the study is to shed light on the possible cost impacts of not receiving support. The participants were not necessarily in a position to identify the costs of not receiving service. However, their comments and reflections on what happened as a result of not receiving required services provide a sense of the type of costs involved. Examining one example by working through the possible cost impacts provides a richer reading of the costs and consequences of homelessness.

R1 first left home at the age of 14 to escape sexual and physical abuse. She stayed in parks and at friends' homes, noting that many of these friends were experiencing similar things and understood what was going on for her, without putting pressure on her. R1 disclosed the sexual abuse (perpetrated by her father) to her mother, who denied it was occurring. She was regularly returned home by the police, on her parents' instructions. She told the researcher that she saw no point in reporting the abuse to the police, given her mother's response and subsequent denial of her experiences.

If we stop the story for a moment and consider costs, we can see obvious costs in terms of the police service and their regular returning of R1 to her family home. Other clear costs include the impact on R1's emotional wellbeing, mental health (discussed later) and sense of safety as a child/young person.

R1 then started a relationship at the age of 15 with a man, and had a son when she was 19. This was an abusive relationship, leaving R1 seriously injured on occasions. During this time, her family of origin continued to intervene in her life, causing her disruption and a range of problems. R1 identified that at this stage she developed problematic substance use patterns that continued for many years. She did not seek any professional help for the abuse, as she reports not knowing about any services available to help her. In this regard, R1 lived these experiences in an isolated manner.

Considering the costs at this juncture in the story, we see there is minimal impact to the service systems, government and the public, as R1 has not sought help. However, the ongoing and accumulated costs to R1 cannot be overlooked.

R1 moved around (including interstate) to escape the influence of her family of origin as well as the abuse she experienced from her partner. At one stage she established herself in her own home that she was buying and was in full-time employment. However, this was destabilised when her parents moved close to her and continued to interfere in her life. This led R1 to move away again.

We see that R1's need to constantly move has continued to place her at risk of homelessness and to actually experience homelessness. She received limited support from agencies during this time. Her attempts at stability were damaged by her parents' actions – and we see a cost to the state here, whereby R1 had been employed full-time and self-reliant in terms of housing, but this was lost due to her parents' actions.

R1 then went on to develop serious mental health concerns (she has a diagnosis of bipolar affective disorder) which she attributes to her life experiences of abuse, insecurity and enforced transience. This led her to have contact with crisis accommodation services, the mental health system, counselling agencies and a range of other welfare related services. R1 was in Homeswest accommodation at the time of the interview and noted that this was her first stable housing in four years.

We see costs associated with accumulated issues occurring later in life, with R1's involvement in the aforementioned service systems. R1 noted that she sees herself having involvement with these agencies for many years to come, as a way of keeping on track, maintaining stability and security.

## 5.3 Client survey client and caseworker comments

### 5.3.1 Wave 1 client and caseworker comments

This section outlines the key themes from the qualitative comments derived from the Wave 1 and 3-Month and Exit waves of the *Client Survey*. Our aim is to further flesh out the costs, outcomes and consequences identified from the interview cohort. This will be presented in two sections in order to highlight consequences and outcomes of receiving and not receiving assistance. The first section contains a discussion of the consequences and outcomes according to both survey respondents and caseworker staff from the Wave 1 survey instrument. These outcomes will be presented for both the assistance and non-assistance cases. The second section will outline the outcomes and consequences identified in the follow-up survey instruments. The discussion in this section will focus on survey respondent and caseworker views in terms of resolving presenting concerns.

Appendix H sets out the full set of client and caseworker comments.

#### Assistance provided – clients

In Wave 1 of the *Client Survey*, the following questions were put to respondents (similar appropriately reworded questions were put to caseworkers).

In what ways has the service helped you [the client] already? How do you think the service may assist you during the present time and in the future?

If you hadn't received help from the service what might have happened? What do you think the consequences might have been for you, your family and those in the community had support not been available?

The most obvious way in which clients are supported is in terms of obtaining and maintaining accommodation. The Wave 1 *Client Survey* comments also highlighted the importance of caseworker support in the development of skills necessary for independent living such as accessing direct debit to pay bills, receiving educational

services regarding domestic and family violence, and simple things such as cheap cooking ideas.

A third area of assistance provided by caseworkers was general and emotional support, including counselling and assistance with referrals to employment services, Centrelink and legal aid services. Some indicative client comments of how services have been of assistance include:

It has helped me by putting me in touch with the relevant agencies to help me deal with my drug addiction. It can help in the future by being supportive and help me to access any other agencies if need be.

This service can assist me by putting me in contact for other help. Having someone to talk to and help steer me in the right direction; that will better my life.

These comments reinforce the point that accessing services can set in place positive outcomes for the person concerned.

Other forms of support that rated highly include the way in which the service providers motivate and mentor people to move towards a more independent and stable life. Linked to this, many respondents commented that the agencies provided a caring and non-judgemental approach to service provision, and the view that they were not being judged was of significant importance in terms of changing their life.

It is also important to note that the Wave 1 survey did identify a small number of respondents who indicated that the service delivery was of little assistance, identifying it as inflexible, punitive and restrictive.

#### **Assistance provided – caseworkers**

Caseworker comments were sought simultaneously to those of the clients. There is significant similarity between the views of the clients and the caseworkers. A few additional dimensions of assistance to clients, however, can be noted. These include the role of agencies in providing assistance in regard to recreation and leisure activities, transport and family reunification.

In terms of providing recreation and leisure supports, the caseworker comments indicate that for many of the people who access assistance, leisure activities have been minimal. Support can include organising sporting events, walking around the local environment, shopping and going for a coffee. Importantly for many people who are homeless or at risk of becoming homeless, the possibility to relax and engage with others on a personal basis appears to be lost in the 'chaos' of surviving day to day. For caseworkers, the possibility to provide a space for people to just 'be' provides the means for self-reflection, which in turn can have positive implications for the future.

The issue of transport also rated significantly for caseworkers. For many people who access support services, transport can be problematic. Attending appointments, organising employment or welfare assistance, reconnecting with family members and various other activities all require some form of transport. Assistance from agencies in terms of transport is vital. Caseworker comments suggest that while many people access public transport, at times this is not appropriate, especially when collecting and moving belongings. According to the caseworker comments, access to appropriate transport can assist people with the transitions between homelessness and moving into more stable accommodation.

The final additional dimension of support noted from the caseworker comments is family reunification. In many cases, people have had children placed in care and therefore require support, guidance and parenting information to undertake, the

reunification process. For families to be reunited, they need stable accommodation as well as ongoing parenting skills and assistance with drug or alcohol issues, together with a sense of self-worth in order to negotiate the departmental processes required. These comments further reinforce the view that positive consequences can result from service intervention.

#### **Non-assistance – clients**

We now turn to a discussion of the potential consequences, noted by clients and caseworkers, of not receiving support. In terms of accommodation, the primary consequence is that of remaining unsafe and homeless or, in the case of homelessness programs, being evicted. Others commented that without assistance they would have been incarcerated, e.g. 'I would be in jail now or deliberately tried to overdose'. Further comments indicate that without assistance people are at a higher risk of offending. For those who have recently been released from prison, they are at risk of breaching parole conditions.

Clients also noted that not receiving assistance may have adverse health and wellbeing impacts. The key concerns refer to an increase in suicidal ideation, increased stress and mental health concerns, increased substance use, an increase in behavioural patterns which can include violence against others and self-harm, loss of self-esteem and self-confidence and increased sense of social isolation.

Clients who had experienced domestic and family violence stated that without assistance their safety would have been seriously compromised. Some indicative comments include:

If I hadn't been given housing by the refuge, I'm sure I would have been seriously injured or killed because I would have had to stay with my husband.

Would have stayed in an abusive relationship; possibility I would have committed suicide.

The nature of the women's experience highlights the high level of risk involved in domestic and family violence relationships. Specifically, these women commented on the fact that if they had not been accommodated, they would have continued to be subjected to ongoing violence and experienced threats against their personal safety. A small number of single women spoke of how primary homelessness further compromised their safety. These women also noted that their children's safety would have continued to be at risk and compromised as a result of remaining in the domestic and family violence relationship.

Participants' comments on the consequences of not receiving support in the context of their children and other family members referred to the emotional distress, disturbance and psychological harm that impacted on family members. In terms of children, the issue of ongoing behaviour management was raised and the detrimental effects this can have for education, development and overall wellbeing.

#### **Non-assistance – caseworkers**

Caseworkers also commented on the adverse accommodation, justice and health and wellbeing impacts if assistance had not been provided to clients. In addition, they referred to major domestic and family violence consequences. Caseworkers reported the potential consequences of non-assistance as being serious injury to women and children, loss of unborn baby and vulnerability to exploitation and abuse. The caseworker comments reflect the views of clients in terms of 'parents drifting away from their parenting commitments' if they remain homeless, and the psychological impacts on both parents and children if children are placed in care.

### *5.3.2 Client and caseworker comments from follow-up surveys*

In this section, the findings from the follow-up survey will be discussed. This will focus on client and caseworker views on the resolution of presenting concerns and it will be presented around the issues of accommodation, skills development and education, general and emotional support and assistance with children.

For clients who responded to the follow-up survey, the outcomes from gaining assistance indicate several areas of resolution. In the context of accommodation, the main response was long-term accommodation had been obtained, rental arrears had been addressed and skills in tenancy obligations had been developed.

Around the topic of general and emotional support, the main response referred to people learning to cope with daily problems and learning to generate a sense of control over their lives. Other comments referred to an increase in self-esteem and ongoing access to other support agencies such as drug and alcohol dependency and parenting support groups.

The respondents also highlighted the importance of assistance in terms of family relationships. For several, reunification had occurred and family connections had been maintained. The impact of these connections had also increased the respondents' sense of social connection and enhanced their sense of self-worth.

Caseworkers also noted improved communication skills, self-advocacy, improved mental health and enhanced capacity to gain employment.

## **5.4 Overall outcomes**

The overall outcomes derived from both the interview cohort and the survey comments suggest that assistance can, for the most, result in positive consequences and outcomes. For both groups of participants, the overall themes identified include the provision of safe and secure accommodation of both short- and long-term duration. Access to support services and referrals to a broad range of services were also of importance for people who are homeless. The provision of generic services has also been identified as contributing to positive outcomes. These include emotional support, mentoring and motivation, developing independent living skills, and learning about rights and responsibilities.

The possible consequences of not receiving assistance include ongoing homelessness, compromised health and mental health, substance misuse, strained relationships with family members, social isolation, loss of employment and a compromised belief in self. The qualitative component of this research has highlighted the range of consequences that can result from services not being provided to people at risk of or experiencing homelessness. It invites longer-term research in specific areas to track over a longer period of time the pathways in and out of homelessness; including the specific and general consequences inherent in such experiences.

## 6 FUNDING AND THE COST OF HOMELESSNESS PROGRAMS

### 6.1 Introduction

This study aims to estimate the net cost of providing homelessness programs, the outcomes clients derive from these programs, and their overall cost-effectiveness. As pointed out previously, the focus of a cost-effectiveness study is not simply with the costs of the program in question. While a lower unit cost is desirable other things being equal, this may simply reflect lower service quality, which will inevitably lead to poorer client outcomes. A cost-effectiveness study is concerned with costs relative to client outcomes. Furthermore, the outcomes are assessed against the underlying needs of those clients. All cost figures presented in this report should be analysed with this point in mind.<sup>32</sup>

We adopt a multi-level approach to estimating the cost of homelessness programs. First we present estimates of the total and per client direct funding by the Australian and Western Australian governments of homelessness programs addressed in this study; namely, SAAP, CAP, SHAP, PRSAP, Re-entry Link and TASS. Estimates are derived for WA as a whole and for the geographical regions covered in the study, namely, the Perth metropolitan region, the South-West and Great Southern regions. There are measurement and interpretation problems with per client funding estimates which are explored in the accompanying discussion.

For homelessness services that participated in the study, we then estimate the gross cost of operating homelessness services using data collected from agencies using an Agency Cost Survey. The total cost of providing services includes direct funding from the Australian and WA governments, additional funding raised by the organisation in the form of grants and donations, the imputed cost of in-kind resources such as volunteer labour, and income derived by the agency delivering the program, such as rent income received from tenants.

Where possible we determine and cost primary cost drivers individually to derive a total unit cost. Cost drivers may relate to client type attributes (e.g. individuals or family groups), geographical location, metropolitan versus non-metropolitan location, or may relate to demographic influences, for example, gender.

We then determine the average unit cost of delivering those services. A bottom-up approach has been adopted in the estimation of unit costs. This involves identification of 'the different resources tied up in the delivery of a service and assignment of a value to each. The sum of these values, linked appropriately to the unit of activity, is the unit cost of the service' (Beecham 2000: 16). In their review of the literature, Pinkney and Ewing (2006) state that there is no obvious source of costing information which could be used to derive unit costs using a bottom-up approach. Estill and Associates (2006) also cite insufficient data availability as the reason for not undertaking the cost-effectiveness analysis which was originally to be included in their study. The primary data collection undertaken as part of this research represents a significant contribution to this literature and towards future research in this area.

To be as consistent as possible with other sections of this research, the cost of operating homelessness programs is based on reported figures for the 2005-06 financial year.

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<sup>32</sup> This is point made well by the Productivity Commission in its SCRCSSP Annual Report on Government Services (2006) Part F, which provides data on the cost of providing SAAP services.

This study uses a broader definition of cost than is used by the Productivity Commission in its annual Report on Government Services. The primary difference is that while the Commission includes only the cost to government, this study uses the full cost of service delivery, which may be partly funded from non-government sources. As pointed out previously, this study also draws a distinction between levels of government funding and the cost of running a program. Costs are defined as 'benefits foregone by tying up resources in one particular use and so not having them available for alternative uses' (Pinkney and Ewing 2006). In addition to government funding, resources used by programs include funds from sources other than recurrent program funding, the opportunity cost of capital employed in service delivery and the value of resources such as volunteer labour. Volunteer hours represent an opportunity cost because that time could be used for other purposes, whether paid work, leisure activities or another volunteer activity (Pinkney and Ewing 2006). Consistent with the Productivity Commission's definition of cost, the Australian and Western Australian governments' cost of administering homelessness programs is not included in the cost estimates.

The cost of program delivery is assessed, for the purposes of this study, as excluding service user and informal support costs, e.g. the cost incurred by clients to travel to the service provider, the cost of children changing schools or costs borne by clients' families as a result of program participation. Collection of these costs is seen to be outside the scope of the research. As a result, the reported cost of homelessness programs is not an estimate of the whole-of-community costs involved in running these programs. However, the method adopted does allow us to focus on the direct cost of homelessness programs and provides a basis for policy formation regarding their funding.

## **6.2 Direct government funding of homelessness programs**

We obtained estimates of the value of WA government and Australian government recurrent funding (2005-06) for the SAAP, SHAP, PRSAP, TASS and Re-entry Link programs operating in Western Australia from the relevant funding bodies (see Table 6.1). Total recurrent government funding was \$37,153,941, of which 82.2 per cent went to SAAP. We also obtained estimates of direct government funding of programs for the study target region – the Perth metropolitan region, the South-West and Great Southern regions (see Table 6.2). Finally, we obtained data on recurrent funding per 'client'. We choose to use the 'client' as our unit of analysis as all homelessness programs report estimates of the number of clients that receive support. For two main reasons we choose to use the measure of funding per client rather than measures of funding per support period, or number of days of support or, better still, equivalent days of support. First, not all programs provide estimates of completed days of support and as far as we are aware, none of the programs provide estimates of equivalent days of support. Second, outcomes data is presented on a client basis and this compatibility of the measure facilitates a cost-effectiveness analysis.

While we present estimates of government funding levels per client, we strongly advise readers to interpret these with some caution. Specifically, we advise against making an assessment of the relative cost of delivering different types of homelessness programs based on these data.

**Table 6.1: Recurrent funding by homelessness program, Western Australia, 2005-06**

	<i>Recurrent funding \$* (1)</i>	<i>Proportion of WA funding per cent (2)</i>	<i>Number of clients assisted* (3)</i>	<i>Recurrent funding per client \$ (4) = (1) / (3)</i>
SAAP	30,563,000	82.2	8300 clients 12,700 support periods	3,682/client 2,406/support period
PRSAP	2,030,534	5.5	711	2,842
SHAP	2,135,861	5.7	557 clients	3,835/client
SHAP Homeless Advisory Service	177,554	0.5	92 assessed 50 housed	1,447/assessment 2,663/housed
TASS	434,664	1.2	79	5,502
Re-entry Link	1,812,328	4.9	929 formal 786 casual	1,826 formal <sup>33</sup> 147 casual
Total funding	37,153,941	100.0		

\*Sources: See Appendix I.

**Table 6.2: Recurrent funding by homelessness program in Western Australian regions covered by the study, 2005-06**

	<i>Perth, South West and Great Southern: recurrent funding \$</i>	<i>Recurrent funding as proportion of WA program total per cent</i>
SAAP	21,033,000	69
PRSAP	Not available	
SHAP	1,205,813	56
SHAP Homeless Advisory Service	177,554	100
TASS	344,664	79
Re-entry	1,122,627	62

\*Sources: See Appendix I.

Client-based measures of the unit cost of homelessness programs and cross-program comparisons that use these measures are problematic for two main reasons. First, differences in data collection methods between the various programs leads to

<sup>33</sup> Re-entry Link: This figure represents an estimated funding per formal and casual client. No allocation of funding between formal and casual clients is available. Casual clients access short-term assistance only. The 929 formal clients had a total of 11,517 contacts over the 12-month period 2005-06, an average of 12.4 contacts per client. If it is assumed that casual clients have only one contact per client, then the total number of contacts for casual and formal clients is 12,303, giving an average funding per contact of \$147.31. If the average funding per contact for casual and formal clients is approximately equal this equates to an average funding per casual client of \$147 and average funding per formal client of \$1,826. Funding per formal client is not highly sensitive to the estimated number of casual client contacts. If zero (2) contacts per casual client are assumed, estimated cost per formal client is \$1,950 (\$1,717). This is 6.8 per cent higher (6 per cent lower) than the \$1,826 reported. Funding per formal client of \$1,950 represents an upper limit and assumes no funding for contact with casual clients. If it is assumed that a casual client has 2 contacts on average, average funding per casual client is \$277, or 88 per cent more than the reported \$147.31. Therefore, although funding for casual clients is not an economically large amount, it is sensitive to the assumption of contacts per client.

potential differences in counts of the number of clients. For example, in SAAP, a person who has multiple support periods in a single financial year is only counted as one client. In comparison, WA homelessness programs may record the same person as two or more clients. They may also record a client twice when his or her support period extends over two reporting periods. Therefore, it is not possible to aggregate across reporting periods to determine the total number of clients in the program in a given year. Second, even if each program counted clients in the same way there would remain differences between programs in the average duration of support, the rate of capacity utilisation, and client needs.

We consider each of these influences below:

- *The duration of the support period:* Programs with short support periods experience greater turnover of clients in a given reporting period and therefore, all other things being equal, they will exhibit lower per client costs of support;
- *Capacity utilisation:* Programs working at close to full capacity (or where services take on more clients than their funding agreements notionally suggest is appropriate) will exhibit lower per unit costs than those at lower rates of capacity utilisation, all other things being equal;
- *Client needs:* Those programs working with high and complex needs clients will have to be resourced at higher per client levels than programs that work with clients with less complex needs, to provide an equivalent level of support.

If it were possible to adjust per funding client estimates for each of the above influences across all programs, then remaining differences in per client funding would reflect differences in the level of resources provided per equivalised client.

Given the above, it is not surprising that funding levels differ significantly between programs. Recurrent funding per client ranges from an estimated \$1,826 per formal Re-entry Link client to \$5,502 per TASS client. The level of funding per SAAP client is \$3,682 (\$2,406 per support period). In terms of the two tenancy support programs for clients at risk of homelessness, funding is \$3,835 per SHAP client (\$2,663 per housed SHAP Homeless Advisory Service client) and \$2,842 per PRSAP client. One major factor leading to differences between the programs in terms of per client funding levels is the average duration of client support. The TASS program includes a 3-month pre-lease support period plus a 6-month fixed term Homeswest (public housing) tenancy during which support is provided by an agency. Because the support period is long, the client turnover is low and the 'per client' costs are relatively high. Likewise, the PRSAP on average has notional support periods of around 3 months while the SHAP has typically support periods double that length if not more. Hence, all other things being equal, funding per client would be expected to be lower in the PRSAP than the SHAP. Finally, SAAP provides services to the very short-term (less than a day, a week, two weeks or less than three months), the medium-term and the long-term. The median duration of a SAAP support period is likely to be less than for other programs.

### *6.2.1 Estimating the cost of capital employed*

SAAP, TASS and Re-entry Link programs provide both client accommodation and support services. This cost of providing accommodation to clients is primary the opportunity cost of having funds invested in the properties. As discussed below, other costs generally associated with capital are not relevant due to the nature of the assets and contractual arrangements in these programs.

The Department of Housing and Works (DHW) through the Crisis Accommodation Program (CAP) provides the properties used in the SAAP and Re-entry Link

programs. CAP properties are funded through Australian Capital Grants. These funds are used to purchase and construct properties and to undertake property upgrades. DHW advises that, as at 30 June 2006, there were 485 CAP properties. Of these, 437 are used to provide SAAP accommodation. Dwelling types include units, duplexes, houses and hostels. Re-entry Link provides assistance in finding clients somewhere to live. In some instances, the Re-entry Link program has CAP and other government funded properties available to accommodate clients while transitioning between prison and other more permanent accommodation. Insufficient information is available to quantify the number or value of these properties and thus the total opportunity cost of capital employed. Properties available for the TASS program are DHW properties from their mainstream housing stock. The Department of Corrective Services (DCS) advises that 39 properties are available for the TASS program, of which 30 are in the study target area (the Perth, South-West and Great Southern regions). There are no houses allocated specifically for TASS tenancies. DHW makes the specified number of properties available; the actual property used by the program for each tenancy is dependent on the needs of the client and properties available at the time of the tenancy. Therefore, an average value of suitable properties is used to estimate capital value employed.

The opportunity cost of capital is defined as 'the return foregone from not using the funds to deliver other Government services, or to retire debt ... The user cost of capital rate is applied to all non-current physical assets, less any capital charges and interest on borrowings already reported by the agency (to avoid double counting)' (SCRCSSP 2001: 3). Because client supported accommodation is predominantly government funded through the DHW, the opportunity cost of capital employed represents a cost to government. However, service providers indicate that SAAP providers either, as a sole owner or through a joint venture arrangement, own a small number of properties. The cost of these properties does not represent a cost to government, so is not incorporated here. However, it does represent a non-government funded resource for the sector, and as such is included when determining a total cost of service provision.

Table 6.3 reports recurrent funding plus opportunity cost of capital for SAAP, Re-entry Link and TASS services. To determine the opportunity cost of capital we firstly determined the current market asset value of the capital employed. DHW advises the 437 CAP properties utilised by SAAP providers have a total capital value of \$97,800,403, an average value per property of \$223,800. Of these, 376 (86 per cent) are located within the study area. Properties within the study area have a total capital value of \$86,225,351, which represents 88 per cent of the WA total. The average value per property of \$229,323 is only 2.5 per cent greater than the WA average. Properties are recorded at values provided by the Department of Lands Information (Valuation Services) and are therefore likely to be conservative. The last revaluation occurred over the 2005-06 financial year; recognised 30 June 2006 (DHW Annual Report, 2006). Therefore, recorded values represent a reasonable but conservative estimate of market value for the period of interest.

The imputed cost of capital is determined by applying the current user cost of capital of 8 per cent (SCRCSSP 2006) to the capital value of assets employed. Thus, the total opportunity cost for SAAP accommodation is \$7,824,032, representing an average opportunity cost of \$17,904 per property, \$943 per client or \$616 per support period. This represents 25 per cent of the recurrent cost per client. Added to recurrent funding, the total SAAP funding per client is estimated at \$4,625.

**Table 6.3: Recurrent funding plus opportunity cost of capital SAAP, re-entry link, TASS – Western Australia, 2005-06**

	<i>Recurrent funding \$* (1)</i>	<i>Opportunity cost of capital \$ (2)</i>	<i>Number of clients assisted* (3)</i>	<i>Total funding per client \$ (4) = [(1)+(2)]/(3)</i>
SAAP	30,563,000	7,824,032	8,300 clients 12,700 support periods	4,625/client 3,023/support period
TASS	434,664	698,256	79	14,340
Re-entry Link	1,812,328		929 formal	1,826 no accommodation 6,326 with accommodation**

\* Sources: See Appendix I.

\*\* Some Re-entry Link providers have government funded properties available to accommodate clients during the support period. See below.

TASS has 39 DHW properties available to the program. Based on the average value of a CAP property the associated opportunity cost to government is \$698,256 per year; \$8,839 per client. It should be noted that all TASS clients are provided with accommodation for up to six months. Re-entry link provides clients with assistance in finding somewhere to live. In 2005-06, approximately 20 per cent of clients accessed this assistance. In total, over 75 per cent of all Re-entry clients successfully found accommodation during their period of support. In some instances, the Re-entry link program has CAP and other government funded properties available to accommodate clients while transitioning between prison and other more permanent accommodation. Insufficient information is available to quantify the total number and cost of properties. However, based on Agency Cost Survey data, discussed in Section 6.3, where CAP or other government funded properties are available the associated opportunity cost is estimated at approximately \$4,500 per client.

It is usual to also include capital related costs such as depreciation, interest on loans relating to purchase of properties, insurance and maintenance, but discussion with DHW indicates that these are not relevant for DHW properties provided under the CAP program. The SCRCSSP (2001: 3) defines depreciation as 'an expense recognised systematically for the purpose of allocating the annual consumption of the amount of non-current asset used in providing a government service over its useful life'. In Western Australia, housing agencies value their stock at current market value, with a useful life of 50 years, and depreciation is calculated on this basis; this implies a notional 2 per cent depreciation rate. However, DHW advises that as market value of property continually appreciates, the net of depreciation and asset revaluation is predominantly positive, and depreciation amounts are either zero or not significant.

Because CAP properties are funded through Australian Capital Grants, there are no directly related loans. While the Australian government does have debt outstanding, this was considered too far removed to impute a value for loan interest to these properties. Consistent with this approach, we applied the opportunity cost of capital to the total value of properties, rather than a value that is net of an imputed loan amount. DHW advise that insurance is also not relevant because they are self-insured for property damage. The exception is catastrophe insurance, for example, if a cyclone were to destroy a significant portion of housing in a region. The Australian Capital Grant meets any major capital expenditure resulting from accidental damage, such as

a house burning down. Service providers have an excess on such claims of \$1,000 although this is often waived. Lastly, DHW properties are supplied without fixtures and fittings. Service providers bear the cost of these and related depreciation. Fixtures and fittings are predominantly financed through Lotteries Commission grants, but it is up to agencies to apply for such grants. The current market value of properties is inclusive of the value of these capital improvements.

### **6.3 The cost of providing homelessness programs**

The total funds available to provide homelessness services include government funding, grants (for example, Lottery Commission and DCP grants), donations, income earned from service provision and the value of in-kind services. Some programs also generate a net income through property rental charges. Each agency decides on the rent they will charge. SAAP agencies (or other community housing providers who may undertake property management responsibilities) may leverage off Commonwealth Rent Assistance provided to eligible tenants outside public housing. Rental income is utilised to supplement government funding, in which case the total resources devoted to service provision exceeds government funding levels.

Agency and service level data relating to activity levels, income and expenditure for the 2005-06 financial year was collected via the study's *Agency Cost Survey*. This was sent to all agencies whose clients participated in the *Client Survey* and *Community Centre Survey*. Information gathered is used to determine:

- The gross funds available for service delivery and the source of these funds;
- Ongoing costs involved in providing accommodation and support to clients;
- The unit cost of providing accommodation and support to clients.

The *Agency Cost Survey* consists of two sections. The first addresses the issue of the size of agencies, the type of services provided, and the proportion of their operations relating to homelessness programs that are the subject of analysis in the study. The second section is focused on the homelessness services delivered by the agency and the resources used in operating each service. For each service involved in the study, data is gathered on:

- Numbers of clients, their demographics and duration of support periods;
- Where accommodation is provided – duration of accommodation periods, accommodation available, how the accommodation is funded, for example, CAP or agency owned, and where accommodation is not CAP funded a current market value of the accommodation is sought;
- Sources and purpose of capital funding;
- Recurrent funding received and income available from other sources;
- Cost structure of operating the service, including allocation of central office overheads;
- Employee numbers, including volunteer hours.

Thirteen agencies were approached to complete the *Agency Cost Survey*, with data received from 10. Agencies may be single service agencies or more typically provide a range of services through various homelessness programs. These agencies operate 33 homelessness services in the target geographical region, covering the range of SAAP, SHAP, PRSAP, Re-entry Link and TASS programs. As detailed in Table 6.4, data is available for 23 of these services, representing between 10.6 and 44.1 per cent of funding within Western Australia for the respective programs, or between 13.6

and 73.8 per cent of program funding within the study area. Several attempts were made to follow up the remaining agencies and related services.

**Table 6.4: Collection of service provider data**

	<i>Services contacted</i>	<i>Information received</i>	<i>Total funding of respondent services \$000s</i>	<i>Per cent of WA program funding</i>	<i>Per cent of study area program funding</i>
SAAP crisis short-term	14	10	3,087.0	15.0	18.4
SAAP medium/long-term	4	2	572.9	10.6	13.6
PRSAP	4	3	467.7	23.0	Not available
SHAP	5	4	1020.5	44.1	73.8
TASS	3	2	142.4	32.8	41.3
Re-entry Link	3	2	251.9	13.9	22.4
Total	33	23	5542.4		

Services provided can be divided into two broad categories: support and accommodation. These are not necessarily distinct, but Pinkney and Ewing (2006) argue that they should initially be separated for unit cost estimation purposes, and then recombined to develop cost estimates for different combinations of service use. Differences in service delivery modes and different financial reporting practices between agencies mean that it has not been possible to segregate non-accommodation related costs from accommodation costs.

In the case of refuges and hostels, as office space and accommodation are part of a single complex, the costs of providing accommodation are integrated with the cost of other functions. Some agencies which provide accommodation in the form of units or houses use a job costing system and record property related and non-property related costs to separate jobs. However, this does not occur consistently across the sector.

The most significant cost item affected is wages, as this represents the largest portion of recurrent costs, and property manager wages are not able to be consistently identified. Items such as rates and taxes, utilities and insurance are also not able to be meaningfully apportioned; however, these represent only a small portion of the total cost, and estimates of cost drivers are not sensitive to how these costs are apportioned. The limited information available regarding accommodation-specific costs means that it is not possible to provide separate estimates of accommodation and support costs.

### 6.3.1 Agency characteristics

Descriptive statistics for the 10 agencies for which data has been collected are provided in Table 6.5. They have average total revenue of \$3,798,600, with recurrent funding for homelessness related services averaging \$944,300, 25 per cent of agency revenue. This percentage must be interpreted with caution. For three of the larger agencies, homelessness related services account for 10 per cent or less of their budget, while for five of the remaining agencies they account for between 90 per cent and 100 per cent. On average, homelessness related services account for 58.2 per cent of the agency's services on the basis of expenditures. Of the funding for homelessness programs, \$868,300 (92 per cent) is sourced from Australian and WA government program related grants. The remaining funding is sourced from other grants and donations. The high proportion of total funds sourced from Australian and WA government program related grants in part reflects the conditional nature of the

sample of agencies used. Only agencies that participated in the study's *Client Survey* and *Community Centre Survey* have been included in the *Agency Cost Survey*. There are agencies in WA which provide support services to the homeless outside the programs that are the subject of the present study and which do not receive government funding for that work. Obviously, in these cases, Australian and WA government program related grants provide no contribution to the overall cost of providing the services.

For all but one agency included in the *Agency Cost Survey*, the organisational structure consists of an overarching agency which manages a range of services, each designed to meet the needs of a particular client group. Agency level functions may include things such as central management, human resources and financial management, and facilities management. They provide a centralised resource utilised by all services operated by the agency. In this type of structure, the total cost incurred in service delivery includes both the costs directly incurred by the service and costs incurred at an agency level which can be attributed to operation of that service. The total cost of service delivery should be inclusive of these centralised costs.

Centralised agency costs should be allocated to individual programs based on the physical factors that drive the costs. On average, agencies report that 80 per cent of recurrent funding is used for service delivery and 20 per cent is used to provide centralised services. This centralised services charge is typically recognised as an administration or overhead charge in the financial statement of the individual service.

Overhead costs are typically charged to services based on a predetermined percentage of funding, although it is sometimes adjusted to reflect ability to pay. This method of overhead allocation assumes that use of centralised services is positively correlated with program funding. It is difficult to assess the extent to which overhead allocations reflect actual use of centralised services. However, as funding is activity based, there should be a reasonable correlation between funding and use of centralised services. Therefore, service reported overhead allocations have been used when determining cost structure and unit costs.

There is a large variation in the size of agencies delivering homelessness programs, from the very small, where the agency is also the direct service provider, to large agencies where homelessness programs represent less than 10 per cent of total expenditure. None of the agencies surveyed delivers only one service. A combination of services and funding sources appears to be important to achieve critical mass, particularly in the area of staffing, and to achieve administrative economies of scale. Staffing levels vary with organisation size. However, minimum staffing is required to ensure services are available for a viable number of hours per week, to ensure staff security and for leave coverage. The value of volunteer labour is minimal; only four of the agencies use volunteers, with average volunteer hours equivalent to only 0.7 full-time equivalent (FTE) employees.

Three of the agencies have CAP funded or DHW funded accommodation available for use by programs other than homelessness programs. In some cases, this is used in conjunction with that specifically allocated to homelessness programs, either for transitional housing or to meet additional demand. The opportunity cost of capital for these properties is not incorporated in the estimated cost of service delivery, as their utilisation by targeted services is comparatively minor.

**Table 6.5: Agency descriptive statistics**

	<i>Average</i>	<i>Min</i>	<i>Max</i>
Total revenue \$000s	3,798.6	83.5	14156
Labour resources:			
Employees; full-time equivalents	53.0	1.5	196.0
Volunteer hours – FTE	0.7	0	4.7
Recurrent funding for homelessness programs \$000s:			
Government grants	868.3	0	2209.4
Other grants	29.5	0	110.6
Other	49.5	0	273.3
Total	944.3	70	2307.9
Funds utilised to provide centralised services (per cent)	20	0	35
Proportion of budget related to homelessness programs (per cent)	58.2	3	100
Accommodation not allocated to homelessness programs:			
CAP houses/units/bed sits	2.4	0	18
DHW houses	1.0	0	10
Occupancy rate of accommodation (per cent)	95	90	100
Capital funding \$000s	26.4	0	110

In 2005-06, capital funding was provided to agencies for projects such as technology, office renovations, fixtures, fittings, furniture and equipment, and vehicles. The most common capital grant was for technology.

### 6.3.2 *Income and expenditure of service providers*

Financial information was collected for each of the service providers surveyed. This provides insight into sources of recurrent income in addition to government funding, the total annual cost of providing services and the structure of costs incurred in service delivery. It also allows a bottom-up approach to estimating unit cost per client. As was indicated in Table 6.4, data is available for at least two service providers from each program. This allows average cost to be reported for each program. Only for SAAP crisis services is there sufficient information to determine sensitivity to cost drivers, such as geographical region and client demographics. It should be noted that figures presented here potentially exhibit a bias as the sample consists of those providers who firstly participated in the client survey and subsequently provided information regarding clients and cost structure. The following discussion relates to both recurrent income and expenditure and, where applicable, opportunity cost of capital employed.

The majority of government funding is provided through program specific funds, such as SAAP and SHAP. This program specific funding is referred to in the tables and discussion as 'government funding'. Other government grants are included under 'agency/grants/donations'.

The average income and cost structure for each program is detailed in Table 6.6. The main income sources and expenditure items are identified, along with the proportion of total income or expense they represent. These estimates do not include the opportunity cost of capital employed. Examination of sources of income shows that, for all programs except SAAP, government program specific funding accounts for at least 97.4 per cent of total funding. SAAP crisis and SAAP medium- to long-term services received 74.3 and 69.4 per cent, respectively, of their total income from

program specific funding. In addition to government program funding, providers of SAAP services raise income via other grants and donations and operating income from rent and other sources, e.g. vending machines. The additional funding means that the level or quality of services provided can be greater than that which would otherwise be available. Five services reported receiving grants in addition to program specific government funding and three received donations. Only one service reported receiving in-kind donations such as consumables and furniture; the amount was not significant and a dollar value has not been imputed for inclusion in income calculations. Agencies surveyed generally did not cross-subsidise the operating costs of a service by contributing funds raised in other areas.

**Table 6.6: Income and expense structure by program**

<i>Income/Expense Item</i>	<i>Per cent of total income/expenditure</i>					
	<i>SAAP-Crisis</i>	<i>SAAP Med-long-term</i>	<i>SHAP</i>	<i>PRSAP</i>	<i>TASS</i>	<i>Re-entry link</i>
<b><i>Funding and income</i></b>						
Government program funding	74.3	69.4	98.7	100.0	100.0	97.4
Agency/grants/donations	9.9	0.0	1.3	0.0	0.0	0.0
Total funding	84.2	69.4	100.0	100.0	100.0	97.4
Rent	13.3	24.4	0.0	0.0	0.0	2.5
Other income	2.5	6.2	0.0	0.0	0.0	0.1
Income	15.8	30.6	0.0	0.0	0.0	2.6
Total	100	100	100	100	100	100
<b><i>Expenditure</i></b>						
Admin, overhead	17.2	7.9	11.0	16.6	9.4	16.5
Staff	62.8	52.5	67.4	64.2	67.0	68.7
Vehicles	1.8	5.0	6.0	6.8	17.9	5.6
Program support fees	4.8	8.3	6.4	5.6	1.5	2.1
Rent	0.0	2.6	3.6	4.3	0.0	0
Maintenance	2.3	8.3	1.1	0.0	0.0	0.9
Utilities	4.1	2.4	2.7	0.1	0.4	2.1
Other, property related	3.1	9.9	0.2	0.0	2.5	2.9
Other, non-property related	3.9	3.1	1.6	2.3	1.3	1.1
Total expense/cost	100	100	100	100	100	100

In most instances, SAAP clients are charged rent, whether the property is owned by the agency or is provided through CAP or other government programs. CAP properties are headleased by the service provider which charges the client rent. Notionally, rent is used to cover the cost of property management including the wages of property manager(s), maintenance and cleaning. Service providers operating refuges generally advised that rent is charged on an 'ability to pay' basis. Only one SAAP crisis accommodation provider surveyed did not report any income from rent.

Examination of expenditure shows that the major cost component relates to staff costs, accounting for between 52.5 per cent and 68.7 per cent overall. These include wages and on-costs plus items such as staff training and development. For the five services (SAAP crisis and medium/long-term and Re-entry Link) where it is possible to

identify property management staff costs, they represent an average 13.34 per cent of total staff costs. This average should be treated with caution, with four of the services reporting property management staff costs varying between 6 per cent and 8.4 per cent. Only three SAAP crisis services and a Re-entry Link provider report using volunteers, with total volunteer hours for the four services equal to two full-time equivalent employees. We impute the value of volunteer labour from *Agency Cost Survey* data regarding 'non-professional' staff numbers and costs and include it in the calculation of average staff expense.

The other major cost item relates to overheads, which varies between 7.9 per cent of costs for SAAP medium/long-term to 17.2 per cent for SAAP crisis services. This differs from the estimated 20 per cent of funding used to provide centralised services, as reported at the agency level. This is partly explained by the inclusion here of other income sources. When only funding is considered, overhead cost reported at the service level represents 17.2 per cent of funding. The main difference relates to SAAP services, where overheads represent 20.5 per cent of funding for crisis services and 13 per cent of funding for medium/long-term.

Program support costs vary between 1.5 per cent of costs for TASS and Re-entry Link, and 8.3 per cent for SAAP medium/long-term services. Their nature varies greatly across services and includes items such as consultant and contractor fees, brokerage, catering and medical fees.

For those programs that do not provide client accommodation, all property related costs, such as rent, utilities and maintenance, relate to operation of an office. For those programs that provide client accommodation, it is generally not possible to separate office related costs from costs of maintaining properties used for client accommodation. The only exception is SAAP medium/long-term respondents, where tenant related property costs (excluding property manager wages) account for 14 per cent of all costs.

Vehicle costs are between 3.9 per cent and 6.8 per cent of costs for most services, except for SAAP crisis and TASS, where they are 1.8 per cent and 17.9 per cent of total costs, respectively. The very low vehicle cost of SAAP crisis services primarily reflects the fact that most services operate in a hostel, with limited requirement to travel to visit clients. Arrangements for provision of vehicles vary greatly between services and across staff members. They include salary sacrifice arrangements, staff using their own car with reimbursement, and availability of pool cars. Recorded vehicle costs will not capture salary sacrifice arrangements; therefore will underestimate total vehicle costs. Differences in these arrangements could also account for some of the difference in reported vehicle costs. At least one pool vehicle is generally required to be available to meet insurance requirements when transporting clients. The variety of arrangements and associated differences in record keeping also mean that it is not possible to consistently obtain estimates of kilometres travelled. Therefore, although 'kilometres travelled per client' is likely to be a cost driver, it cannot be estimated. When considering other cost items, utilities includes items such as electricity, telephone and computer/internet cost. Other property related costs include rent, rates and taxes, security, insurance, depreciation of fixtures, fittings and equipment, and purchased accommodation.

Information is available for 10 SAAP crisis/short-term accommodation services, making it possible to examine the effect of location and client structure on the cost of providing services. Six service providers are from the metropolitan area and four from non-metropolitan regions. Four of the metropolitan services cater for single clients only, while the remaining two metropolitan and the four non-metropolitan services cater for both families and single clients. Income and expense structure reported by

SAAP crisis/short-term accommodation providers is detailed in Table 6.7 by region and Table 6.8 by client group. As surveyed non-metropolitan services represent only 22.4 per cent of the total income/expense of all SAAP crisis services surveyed, the percentages reported for the 'Survey Total' (Table 6.7) largely reflect the cost structure of the metropolitan services.

The proportion of income from government sources varies based on geographical location, with a higher 83.2 per cent of funding for non-metropolitan services sourced from program specific funding. This predominantly reflects the higher proportion of income sourced from rent (15.0 per cent) for metropolitan services compared with non-metropolitan services (6.6 per cent). The largest variation in costs by geographical location relates to staff, vehicle and overhead costs, with staff and vehicle costs representing a larger 67.6 per cent and 4.5 per cent of expenses incurred by non-metropolitan services, respectively, and overheads a smaller 14.0 per cent. Differences in vehicle arrangements, as noted previously, could account for some of the observed difference between vehicle costs for metropolitan and non-metropolitan services.

**Table 6.7: Income and expense structure: SAAP crisis/short-term accommodation services by region**

<i>Income/expense item</i>	<i>Per cent of total income/expenditure</i>		
	<i>Survey total</i>	<i>Non-metro</i>	<i>Metro</i>
<b><i>Income</i></b>			
Government SAAP funding	74.3	83.2	72.1
Agency/grants/donations	9.9	10.0	9.9
Total funding	84.2	93.2	82.0
Rent	13.3	6.6	15.0
Other income	2.5	0.2	3.0
Total rent and other income	15.8	6.8	18.0
Total income	100	100	100
<b><i>Expenditure</i></b>			
Admin, overhead	17.2	14.0	18.1
Staff costs	62.8	67.6	61.5
Vehicles	1.8	4.5	1.0
Program support fees	4.8	3.8	5.4
Rent	0.0	0.2	0.0
Maintenance	2.3	1.8	2.4
Utilities, cleaning etc	4.1	4.1	4.6
Other, non-property related	3.9	2.9	3.7
Other, property related	3.1	1.1	3.3
Total expense	100	100	100

\*Sample of 10 services, total SAAP funding of \$3.1m, representing approximately 15 per cent of SAAP funding for crisis/short-term accommodation.

The client base of the services varies significantly, with some mandated to assist single males or single females only, and others providing assistance to family groups in addition to singles. The requirements of families are likely to be different to single clients, both in terms of the number and type of services and the number of clients who can be accommodated at one time. Table 6.8 shows the structure of income and expenditure by family group in addition to region. Services are separated into those

which cater for single clients only, both single men's services and single women's services, and those which cater for both singles and family groups, referred to as 'mixed'. All four services surveyed which cater for singles only operate in the metropolitan region. The cost structure for non-metropolitan mixed services is therefore the same as 'Non-metro' reported in Table 6.7.

Examination of Table 6.8 shows that the average income and expense structure is sensitive to the client group, and the inclusion of single person services in metropolitan services accounts for many of the differences observed between metropolitan and non-metropolitan services. In particular, singles services, on average, receive only 68.5 per cent of their income from program specific funding and a larger 19.2 per cent from rent. Overheads account for a comparatively large 18.5 per cent of total costs, and staff related costs a comparatively small 60.0 per cent. Program support costs represent a much larger proportion of costs for the singles only services. It should be noted that there is a large variation in the cost and expense structure of the individual services that cater for single men and women. For example, the proportion of income from program-specific government funding ranges from 44 to 95 per cent, and the proportion of staff costs from 37 to 83 per cent.

**Table 6.8: Income and expense structure: SAAP crisis/short-term accommodation services by family group and region**

<i>Income/expense Item</i>	<i>Per cent of total income/expenditure</i>			
	<i>By household type*</i>		<i>Mixed, by region</i>	
	<i>Singles</i>	<i>Mixed</i>	<i>Non-metro</i>	<i>Metro</i>
<b><i>Income</i></b>				
Government SAAP funding	68.5	83.5	83.2	83.6
Agency/grants/donations	8.5	12.2	10.0	14.4
Total funding	77.0	95.6	93.2	97.0
Rent	19.2	3.9	6.6	1.3
Other income	3.8	0.5	0.2	0.8
Total rent and other income	23.0	4.4	6.8	2.1
Total income	100	100	100	100
<b><i>Expenditure</i></b>				
Admin and overhead	18.5	14.4	14.0	15.5
Staff	60.0	69.2	67.6	71.0
Vehicle	0.9	3.4	4.5	2.3
Program support fees	6.1	2.0	3.8	0.3
Rent	0.0	0.1	0.2	0.0
Utilities/cleaning	4.5	4.5	4.1	5.3
Building maintenance	2.6	1.6	1.8	1.6
Other property related	3.2	2.2	1.1	2.5
Other non-property related	4.0	2.6	2.9	1.5
Total expenses	100	100	100	100

\* Single – services which accept single men or single women only.

Mixed – services which accept both single clients and families.

### 6.3.3 Cost per client by program

The average cost per client provides important information for assessing the cost efficiency of services and the cost-benefit of providing them. However, the

qualifications we set out in regard to the use of per client funding information should be taken to apply equally to the use of cost per client information set out in Tables 6.9, 6.10 and 6.11. In essence, any findings on funding levels or clients that do not adjust for the duration of completed spells of support, the needs of clients and rates of capacity utilisation require some qualification prior to their use.

Financial statement information for each service, in conjunction with information regarding number of clients and the value of properties used to provide client accommodation, is used to determine an average cost per client. This is inclusive of the opportunity cost of capital employed in providing the accommodation. First the method used to estimate the opportunity cost of capital per client is discussed, followed by discussion of the per client cost estimates. As with the cost structure, cost for SAAP crisis services varies with both geographical location and whether only single clients are accepted, or families and singles. Unit cost estimates are reported by program in Table 6.9. Table 6.10 reports unit costs for SAAP crisis/short-term providers by region and by family grouping in Table 6.11. The number of clients is defined to exclude requests for one-off assistance. It is likely that the cost per client is also related to factors such as whether the service is available 24 hours per day, the number of one-off clients assisted, and the average length of support provided. Data regarding these issues is not available from all service providers, so it is not possible to determine the effect of these cost drivers.

#### *6.3.4 Determining opportunity cost of capital per client*

The opportunity cost of capital employed by survey respondents is estimated from information gathered from the Agency Cost Survey regarding the types of properties available to provide accommodation, whether they are owned by the agency or provided through the CAP program or otherwise funded by the government. Where a property is owned by the agency or in a joint venture with the government, the property value is obtained from the agency's financial statements. DHW provided the value of CAP properties. As previously stated, 8 per cent of capital value employed is used to determine the opportunity cost of capital.

SAAP crisis accommodation primarily consists of a hostel or a series of units. Half of the providers report having 24 beds available, although this varies between as few as five and as many as 42. When considering the number of clients accommodated, most providers have a policy of not allocating more than one client/family to a room. Therefore, capacity is often restricted by the number of rooms and the mix of single clients and family groups. The total capital value of accommodation utilised by the 10 SAAP crisis respondents is estimated at \$13.2 million. This is the total value of CAP properties, joint venture properties as reported by the agencies and CAP, other government funded properties, plus the reported capital value of properties owned by the agencies. Of this total, \$6.3 million (48 per cent) relates to CAP properties, including the CAP contribution to joint venture properties, \$1.6 million (12 per cent) relates to other government funded properties, and \$5.3 million (40 per cent) represents the value of properties funded by the agencies, including agency contribution to properties funded through a joint venture. The associated opportunity cost is \$1,056,000 (\$632,000 government and \$424,000 agency funded). The opportunity cost of capital per client is \$588, or \$697 where accommodation was provided. This translates to a cost to government of \$353 per support period, \$418 per accommodation period. Thus, agencies provide a significant portion of the capital investment for crisis accommodation, and incur a significant opportunity cost.

The total capital value of properties available to the SAAP medium/long-term services surveyed is estimated at \$7.84 million, of which \$0.9 million (11.5 per cent) relates to agency owned properties. This equates to an opportunity cost of capital per client of

\$10,453, of which \$9,251 is government funded. TASS providers report having 14 properties available. Using the average value of CAP properties as a proxy for the value of a property from DHW mainstream housing, the associated opportunity cost of capital per client is \$6,596. As discussed previously, not all Re-entry Link service providers report having accommodation available for clients. Accommodation utilised by Re-Entry link respondents who do provide accommodation is approximately 80 per cent CAP funded and 20 per cent funded through other government sources, with an associated opportunity cost to government of \$4,500 per client for services which do provide accommodation.

**Table 6.9: Cost per client by program**

<i>Expense item</i>	<i>Cost per client \$</i>					
	<i>SAAP Crisis</i>	<i>SAAP Med- long- term</i>	<i>SHAP</i>	<i>PRSAP</i>	<i>TASS</i>	<i>Re-entry link</i>
<b><i>Recurrent cost</i></b>						
Admin & O/H	387	1,228	383	355	400	218
Staff	1,411	8,118	2,349	1,378	2,842	1,497
Vehicle	36	768	207	146	761	74
Program support	109	1,278	222	121	63	28
Rent	0	408	126	93	0	0
Building maintenance	51	1,287	36	0	0	12
Utilities	100	367	93	3	18	28
Other, property related	69	1,533	8	0	105	39
Other, non-property	81	483	57	49	55	14
Total recurrent cost per client \$	2,243	15,470	3,483	2,145	4,245	1,912
Imputed opportunity cost of capital	588	10,453	NA	NA	6,596	4,500
Total cost per client	2,831	25,923	3,483	2,145	10,850	1,912
						no accommodation
						6,412
						accommodation
<b><i>Proportion government funded – per cent</i></b>						
Recurrent cost	74.3	69.4	98.7	100.0	100.0	97.4
Capital cost	60.0	88.5	NA	NA	100.0	100.0
<b><i>Government program cost per client \$</i></b>						
Recurrent cost	1,667	10,736	3,437	2,145	4,245	1,862
Opportunity cost of capital	353	9,251	NA	NA	6,596	4,500
Total government cost	2,020	19,987	3,437	2,145	10,850	1,862
						no accommodation
						6,362
						accommodation*

\*Not all Re-entry link services provide clients with accommodation

Table 6.9 shows the 'survey average' total cost per client varies between \$2,145 per PRSAP client and \$25,923 per SAAP medium/long-term client (\$19,987 government funded). As expected, a higher cost is observed for those services with a longer

average support period and where accommodation is provided, such as SAAP medium/long-term and TASS clients. Where accommodation is provided, the opportunity cost of capital represents a significant cost item, being 21 per cent of the total cost per SAAP crisis client, and as high as 70 per cent of the total cost per Re-entry link client. The significance of this cost item highlights the importance of it being included when determining the cost of providing services that involve a significant capital investment, as is the case when accommodation is provided.

It should be noted that the government recurrent cost per client reported in Table 6.9 is generally lower than the program average cost per client reported in Table 6.1. This suggests a bias in the services that participated in the survey. This may relate to the geographical location of participating services, the client mix, support requirements of clients or the operating efficiency of services. The PRSAP displays the largest difference, with the \$2,145 reported here being 76 per cent of the \$2,842 program average cost per client reported in Table 6.1. Two PRSAP respondents are non-metropolitan, and one metropolitan. The non-metropolitan services report a substantially lower cost per client than the metropolitan service. Thus, the large difference may be due to the geographical mix of PRSAP respondents.

Geographical location may also be relevant for SHAP and Re-entry Link programs, as detailed in Table 6.2. Only 56 per cent and 62 per cent, respectively, of total program funding is allocated to service providers within the study area. For SAAP the difference relates primarily to the mix of crisis and longer-term clients. SAAP National Data Collection 2005-06, Western Australian supplementary tables (2007) report 76 per cent of SAAP support periods as one month or less (so would primarily be clients of crisis services), 15 per cent with support periods of between one and three months, which could be either crisis or medium-term clients, and the remaining 9 per cent of support periods being longer-term. The weighted average recurrent government cost per client, assuming 86 per cent of SAAP clients access crisis services and 14 per cent access medium/long-term services, is approximately \$3,000.<sup>34</sup> As discussed below, the cost per client for SAAP crisis services is also sensitive to geographical location and client mix. In addition, 3.7 per cent of SAAP funding is not allocated to agencies, which equates to \$137 per client.

Table 6.10 shows that the SAAP crisis/short-term cost per client is sensitive to geographical location, with the average being \$3,852 in the non-metropolitan region and \$2,656 in the metropolitan region, inclusive of opportunity cost of capital. Given the average proportion of funding which comes from program specific government funding, this represents an average cost to government of \$3,309 per client for non-metropolitan respondents and \$1,787 for metropolitan respondents. The opportunity cost of capital adds 19 per cent to the recurrent cost for non-metropolitan services, and 28 per cent for metropolitan services. As noted previously, this cost differential partly reflects the high proportion of metropolitan services surveyed which cater for single clients only. These differences demonstrate the importance of identifying cost drivers and determining appropriately detailed unit costs.

Unit costs by family group, Table 6.11, show that for services surveyed which accept single clients only, the cost per client, including opportunity cost of capital, is a comparatively low \$2,486 (\$1,599 government funded). This compares with the cost per client for 'mixed client' services of \$4,283 (\$3,593 government funded). The difference in total cost relates predominately to staff costs, which are only 46 per cent

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<sup>34</sup> This assumes that, of the 15 per cent of SAAP clients with support periods between one and three months, two-thirds are clients of crisis programs. Assuming one-third are clients of crisis services, the weighted average recurrent government cost per client is approximately \$3,400.

of that recorded for 'mixed client' services, a difference of \$1,342 per client. When considering cost to government, government funding represents a much smaller proportion of both recurrent income (68.5 per cent) and capital investment (48 per cent) for agencies accepting single clients only. The lower total cost in conjunction with the smaller proportion of cost that is government funded means the per client cost to government of providing SAAP crisis services that accept singles only is less than half of providing services to family groups. The size of this differential, and in particular the mix of government/agency funding, may be sample specific.

**Table 6.10: Unit cost per client: SAAP crisis/short-term accommodation services by region**

<i>Expense item</i>	<i>Survey average</i>	<i>Cost per support period \$</i>	
		<i>By region</i>	
		<i>Non-metro</i>	<i>Metro</i>
Admin and overhead	387	449	376
Staff	1,411	2,208	1,276
Vehicle	36	124	21
Program support	109	91	112
Utilities/cleaning	100	133	95
Building maintenance	51	52	51
Other – property related	69	72	68
Other – non-property	81	103	77
<b><i>Total recurrent cost/client \$</i></b>	<b>2,243</b>	<b>3,233</b>	<b>2,076</b>
Opportunity cost	588	619	580
<b><i>Total cost per client</i></b>	<b>2,831</b>	<b>3,852</b>	<b>2,656</b>
<b><i>Proportion government funded per cent</i></b>			
Recurrent cost	74.3	83.2	72.1
Capital cost	60.0	100.0	50.0
<b><i>Government funded cost per client \$</i></b>			
Recurrent cost	1,667	2690	1497
Opportunity cost	353	619	290
<b><i>Total government cost per client \$</i></b>	<b>2,020</b>	<b>3,309</b>	<b>1,787</b>

**Table 6.11: SAAP crisis/short term, unit cost per client: by family group and region**

<i>Expense item</i>	<i>Cost per support period \$</i>			
	<i>By family group*</i>		<i>'Mixed' by region</i>	
	<i>Singles</i>	<i>Mixed</i>	<i>Non-metro</i>	<i>Metro</i>
Admin and overhead	356	519	449	760
Staff	1160	2,502	2,208	3,500
Vehicle	17	122	124	114
Program support	117	70	91	14
Utilities/cleaning	86	161	133	260
Building maintenance	49	58	52	80
Other – property related	65	83	72	122
Other – non-property	77	96	103	72
<b>Total recurrent cost per client \$</b>	1,928	3,614	3,233	4,922
Opportunity cost	558	669	619	779
<b>Total cost per client \$</b>	2,486	4,283	3,852	5,701
Proportion government funded per cent				
Recurrent cost	68.5	83.5	83.2	83.6
Capital cost	48.0	86.0	100.0	61.0
<b>Government funded cost per client \$</b>				
Recurrent cost	1,331	3,018	2,690	4,115
Opportunity cost	268	575	619	475
Total government cost / client \$	1,599	3,593	3,309	4,590

\* Single – services which accept single men or single women only.

Mixed – services which accept both single clients and families.

It was noted earlier that overheads for single person services represent a comparatively large 18.5 per cent of costs. However, when considering dollar cost per client, overheads are only 69 per cent of that incurred by mixed client services.

Unit cost for mixed client services also varies significantly by region, being approximately 50 per cent greater in the metropolitan area. This is predominantly due to staff costs.

The number of respondents for each of the other services was not sufficient to examine sensitivity to region and client groups. SAAP medium/long-term services all report support for family groups only, SHAP and PRSAP services all report a mixture of single clients and families, TASS and Re-entry Link clients are predominantly single, so costs of other programs are unlikely to be sensitive to client group. However, they may be sensitive to regional variation, thus the average costs reported here may not be representative of the average cost within either the metropolitan area or non-metropolitan study area when considered individually. They may also not be indicative of average cost for services provided outside the study area. This is of particular relevance for SHAP, SAAP and Re-entry Link services, where only 56, 69 and 62 per cent of program funding, respectively, is allocated to services within the study area.

## 6.4 Summary

Program-specific recurrent funding for Western Australian homelessness services examined in this study totalled \$37,153,941 in 2005-06, assisting around 11,500

clients. Of this, 82.2 per cent relates to SAAP services. In addition to this, CAP funded dwellings with a total value of \$97.8 million are utilised in providing SAAP services. The opportunity cost of capital relating to these CAP properties, plus DHW properties used to provide accommodation for TASS clients, totals \$8.5 million. This is a significant cost which should be included when determining the cost of delivering services which included provision of accommodation.

Financial information from the Agency Cost Survey is reported for all programs, providing a bottom-up estimate of cost, inclusive of opportunity cost of capital. Total cost is determined in addition to cost to government. All except one service surveyed operated as part of an agency, with centralised functions, such as accounting, provided at an agency level. For all programs, staff related costs represent the largest portion of costs, accounting for between 52.5 per cent of the SAAP medium/long-term and 68.7 per cent of Re-entry Link recurrent cost/client. Overhead and administration costs represent the other major cost item, averaging 17.2 per cent of costs for SAAP crisis/short-term services and 7.9 per cent for SHAP services. Funding to operate SAAP services is generally supplemented through rent received from clients and other sundry sources. Therefore, the cost/client is larger than the reported recurrent funding/client, with program specific government funding on average accounting for 74.3 per cent of the income of SAAP crisis/short-term service providers, and 69.4 per cent of income for SAAP medium/long-term service providers. Cost drivers for SAAP crisis/short-term accommodation services are explored. The cost of providing these services is dependent on whether they operate in Perth or the non-metropolitan region and whether only single clients are accepted, or a mixture of single clients and families.

## 7 COST OFFSETS FROM THE PROVISION OF HOMELESSNESS PROGRAMS

### 7.1 Introduction

While international evidence suggests that individuals who receive support from a homelessness program may reduce their use of other government services, there is limited Australian data on changes in service usage patterns. Berry et al. (2003) suggest that the studies on changes in service usage should examine the areas of health, welfare, justice, education and employment assistance. US studies show that clients who receive housing support are, on average, less likely to utilise programs such as health, welfare and justice than those who do not receive such support. The cost savings from reduced service use is found to substantially offset the cost of providing housing services (Culhane et al. 2002; Corporation for Supportive Housing 2004). In some cases, however, a client who receives housing support may increase their service use if their knowledge of these services and access to them increases as a result of involvement in the housing support program. Increased service use can be a positive outcome in terms of improvement in quality of life, for example, receipt of unemployment benefits or receiving appropriate health care. It is also possible that the use of educational and employment assistance services will increase, producing a positive outcome in terms of quality of life and/or earning capacity.

The whole-of-government budgetary savings generated in non-homelessness based programs as a result of improved outcomes arising from the provision of homelessness programs are referred to as cost offsets. These revenues and cost offsets represent a reduction in total government funding requirements. Therefore, the government cost of providing homelessness programs is defined to be net of cost offsets. Cost offsets for programs which provide longer-term housing solutions are inclusive of any decrease in inappropriate use of emergency crisis accommodation. Movement of clients with longer-term needs to an appropriate program decreases demands on higher cost crisis accommodation and increases the probability that those in need of crisis support will be able to access it.

We focus on cost offsets which occur in the areas of health and justice services, utilising data from the client survey regarding utilisation of these services prior to beginning the period of support (Wave 1) and in the 12 months after the period of support began (12-month follow-up). A discussion of the nature of these offsets and the method for estimating their value was included in the Positioning Paper.

The one-off *Community Centre Survey* and Wave 1 of the *Client Survey* gather information regarding a client's service use and housing experience in the year prior to support. This is used to estimate the cost of health and justice services used by clients of homelessness programs and to compare this with the population in general and to make comparisons between client cohorts. The 3-month follow-up and exit surveys do not provide relevant data for comparing service utilisation before and since commencing the support period. This is primarily due to the short period of time since support began and also because of the inconsistency of the time lapse between commencing support and the follow-up survey. Only 35 client respondents participated in the 12-month follow-up survey. This small sample size provides some indicative information on change in service utilisation and the cost offsets. However, it is not possible to report cost offsets by program nor to determine whether the change in service utilisation of clients who were still contactable and willing to participate in the follow-up survey is representative of the full sample of Wave 1 participants. For

these reasons, the primary analysis of cost offsets and program costs net of cost offsets draws from data collected in the Wave 1 survey.

Other studies which have endeavoured to cost potential saving arising from assisting a particular client group have imputed the cost of the target group's use of government services and compared this with the population in general. See, for example, Raman and Inder (2005) and Access Economics (2004). As stated above, this is the approach taken here with the Wave 1 data. The results provide an estimate of total potential cost offsets if homelessness is eliminated and allows comparison with other studies.

A limitation of this approach is it assumes that, except for the issue being addressed by the study, characteristics of the target group are similar to those of the general population. The results of the *Client Survey* reveal, as would be expected, differences between the characteristics of people accessing homelessness services on the one hand and the general population on the other. For example, on average 43.9 per cent of survey respondents reported experiencing a mental health condition and 20.7 per cent expressed concern regarding their drug and alcohol consumption. This can be compared with population averages: 18 per cent experience mental health problems (National Health Survey (2001), in AIHW 2004a)<sup>35</sup>, 9.9 per cent drink alcohol at levels that risk harm (AIHW 2005b) and 6.2 per cent of people surveyed in the 2004 *National Drug Strategy Household Survey* report using illicit drugs in the previous week (AIHW 2005b). These differences suggest that, even with homelessness program support assistance, the average client use of other government services is unlikely to be similar to the population in general.

This limitation is minimised by also comparing government services used by various cohorts of clients. Wave 1 of the *Client Survey* gathers information regarding a client's housing/homelessness experience in the prior year. This allows for identification of those who have had either a period of primary homelessness, temporary accommodation or unsafe accommodation e.g. being subject to domestic violence, over the previous year. Services used by each of these client groups are compared with utilisation by clients who have not had such an experience.

Our third approach to estimating the value of cost offsets uses data collected in the 12-month follow-up survey, and involves the estimation of the difference in the utilisation of health and justice services between the year prior to support and the year following the provision of support for the homeless program client population and the costing of the resulting differential. This would be our preferred approach, as it indicates the change in service utilisation for the cohort of clients accessing the homelessness services. However, the small size of the 12-month sample means that the estimated offsets may not be representative of the total sample.

To determine the value of cost offsets using the general population approach, the unit costs of delivering a range of health and justice services are estimated and applied in conjunction with prevalence indicators of service utilisation by the various client cohorts and for the population in general. Top-down unit costs for a number of government services are published in sources such as the Productivity Commission SCRCSSP Annual Report on Government Service Provision, Australian Institute of Housing and Welfare (AIHW) publications and the Police annual reports. These sources also publish service utilisation rates for the population. A full list of data sources used in calculating these estimates is provided in Appendix J. Although top-

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<sup>35</sup> What constitutes a mental health condition in the National Health Survey may be wider than that suggested by responses to the Client Survey where alcohol and substance abuse is not listed as a potential mental health condition in the options presented to clients.

down unit costs are not ideal, Pinkney and Ewing (2006) indicate that they are the most likely source of such data for Australian researchers.

To be consistent with other areas of the study, in particular the cost per client estimate for homelessness services, the cost offsets are expressed in 2005-06 dollars. Wave 1 of the *Client Surveys* commenced in March 2006 and asks about use of services over the prior year. Subsequent waves of the survey gather information on service use during the following year. Therefore, service utilisation data for clients will span the period 2005 to 2007. In most instances, the unit cost and population use of health and justice services is for Western Australia. At the time of undertaking the analysis, the SCRCSSP (2006) *Report on Government Services* had been published, but the Western Australian supplementary tables were not available and so the 2005 tables were used instead (see Appendix J for further details).

One of the limitations of the published unit cost and service utilisation data is that it is not all from a common time period, and very little of the data currently available is for financial year 2005-06. Data used to estimate population utilisation rates and the cost of government services spans the period 2001-02 to 2005-06. For example, the information on use and cost of general practitioner services for 2005-06 is available online at [www.health.gov.au](http://www.health.gov.au), but the most recent data sourced on the cost of a stay in hospital is for 2003-04 (AIHW 2006a), and although 2003-04 data is available for the cost of emergency services from the 2006 *Report on Government Services*, the latest data on use of emergency department services is from 2001-02 (AIHW 2004a). When reported unit cost data is for a period prior to 2005-06, it has been adjusted for inflation. The total health price index (AIHW 2006b) is applied to health costs and the GDP chain price index (ABS 2006a) to justice costs. The GDP chain price index is used rather than the CPI, as it takes into account price changes across the whole economy (for example, wages) not just tradeable goods (Mayhew 2003). Estimating the 2005-06 cost of services by combining costs and utilisation statistics from a range of time periods assumes no change over this period except for inflation.

## 7.2 Calculation of cost offsets

Cost offsets are calculated as the average of the health, justice and police cost difference per person between study participants and the general population. The annual offset is determined as well as the offset over average remaining life.

Cost offsets are determined for the following two scenarios:

- Clients of the homelessness assistance service compared with the population average;
- Clients of each service falling into the following three categories are compared with clients who did not fall into these categories:
  - 'Primary homeless' clients, defined as those experiencing at least one spell of no shelter over the previous twelve months;
  - 'Homeless' clients, defined as those experiencing at least one spell of no shelter or one spell of 'temporary accommodation' in the previous twelve months. The 'temporary accommodation' category includes those who couch surfed with extended family members, friends or acquaintances, or lived in caravans, boarding or rooming houses or in hostels;<sup>36</sup>

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<sup>36</sup> The temporary accommodation category excludes SAAP/CAP accommodation or other forms of assisted crisis accommodation.

- Unsafe accommodation, defined as those experiencing a at least one spell of domestic or family violence, or living in some other unsafe situation in the previous twelve months.

Detailed results of the second within-client group comparison are given in Appendix K.

Separate calculations are presented for community centres and for each of the target services/client groups: SAAP-DV and Single Women, SAAP-Single Men, SAAP general families, SHAP, PRSAP, TASS and Re-entry combined.

The dollar value of cost offsets for each service is estimated as:

- When comparing service use by people who are at risk of homelessness with the population in general:

$$\frac{(\text{average annual use by clients}) * (\text{unit cost of service}) - (\text{population average annual use}) * (\text{unit cost of service})}{(\text{unit cost of service})}$$

- When comparing service use for different cohorts of people accessing homelessness assistance programs:

$$\frac{(\text{average annual use by clients experiencing homelessness/unsafe accommodation}) * (\text{unit cost of service}) - (\text{average annual use by clients not experiencing homelessness/unsafe accommodation}) * (\text{unit cost of service})}{(\text{unit cost of service})}$$

A weighted average annual use of health and justice services by clients is determined from Wave 1 survey results. In the *Client Survey*, participants were asked about how many times given events occurred over the previous year. Responses take the form of 'no contact', 'once', '2 to 5 times', '6 to 9 times' and '10 or more times'. To undertake the initial estimated average utilisation, a response of '2 to 5 times' has been substituted with 3.5 occurrences, '6 to 9 times' with 7.5 and '10 or more times' with 10 occurrences. The first two substitutions represent the range mid-point. Substitution of 10 occurrences for the response '10 or more' represents a conservative estimate of service use. Sensitivity analysis will be undertaken to determine sensitivity of conclusions to these assumptions.

To provide an example of how we calculate cost offset estimates, consider the case of clients accessing community centres. Table 7.1 reports the responses of clients who had experienced a period of primary homelessness (no shelter) to the question 'How many times over the past year have you been in hospital for one night or more?'

**Table 7.1: Community centre clients experiencing primary homelessness and hospital stays**

<i>No shelter</i>	<i>Number</i>	<i>0</i>	<i>1</i>	<i>2 to 5</i>	<i>6 to 9</i>	<i>10 or more</i>	<i>Ave</i>	<i>Cost (\$)</i>
Hospital, ≥1 night	23	52.2%	17.4%	17.4%	4.3%	8.7%	1.9755	13,425

Reported are the number of respondents, the proportion giving each response, the calculated average occurrences and the associated annual cost. The average occurrence is calculated as:

$$(0.174*1) + (0.174*3.5) + (0.043*7.5) + (0.087*10) = 1.9755.$$

The average cost per hospital stay of \$6,796 (see Appendix J) is then applied to determine the cost of \$13,425 per person per year.

In contrast, those not identified as experiencing primary homelessness (not shown here) report an average 1.031 stays in hospital. The annual cost difference is calculated as:

$$(1.9755 * \$6,796) - (1.031 * \$6,796) = \$6,419 \text{ per person per year.}$$

The amount of \$6,419 is interpreted as the potential annual per person savings in hospitalisation costs which arise if a period of primary homelessness is prevented for a person who accesses community centres.

In many cases, the provision of support has an ongoing effect on prevalence of service utilisation beyond the 12-month period being directly considered. Raman and Inder (2005) refer to annual cost offsets inclusive of adjustment for future years' cost adjustments as average life outcomes. The average life outcome is estimated as the present value of a stream of annual cost savings, where the real value of each year's savings is equal to the identified annual saving. Preliminary estimates presented here assume that these cost savings extend over the average remaining life of clients, but do not account for any relation between change in service use and age, for example, average general practitioner visits per year vary with age (Britt et al. 2004).

The average age of clients surveyed is 35 years. The variation between programs is very small, ranging between 33 and 36 years. AIHW (2004a) reports the average life expectancy in Western Australia to be 77.9 years for males and 82.9 years for females. Therefore, an average life expectancy of 80 years is assumed, and initial 'average life outcome' estimates assume the annual cost differential continues over a 45 year period. Average life expectancy varies directly with socioeconomic welfare (AIHW 2004a). However, the variation between the average and the life expectancy of people in the lowest socioeconomic quintile is only around one year (AIHW 2005a), therefore conclusions are unlikely to be sensitive this variation. Life expectancy for Indigenous Australians is a substantial 17 years less than the total population (AIHW 2005a). Average life outcomes estimated over a remaining 28 years of life, with a 3 per cent discount rate, are approximately 76.6 per cent of the average life outcomes reported here.

Future year estimates are made in 2005-06 dollars (i.e. no allowance for future inflation is made). Future period cost savings are discounted using a 3 per cent real discount rate to reflect time-preference. This methodology assumes that the same inflation rate is expected to exist for costs, revenues and benefits and is equivalent to the inflation rate, which is reflected in the expected nominal interest rate. The 3 per cent rate was determined by reference to the literature and current interest rates. Drummond et al. (1997) state that most studies in the health care literature use a standardised real discount rate of 3 or 5 per cent. However, studies such as Raman and Inder (2005) do not discount future estimates of cash flows to reflect time-preference, this is equivalent to a 0 per cent discount rate. Access Economics (2004) refers to current market interest rates and finds a real discount rate of 3.3 per cent to be appropriate when assessing the cost of domestic violence in Australia. Applying the approach taken by Access Economics, the long-term government bond rate in Australia ranged between 5.13 and 5.79 per cent over the twelve months to June 2006. The Reserve Bank has a mandate to maintain an inflation rate within the 2 to 3 per cent range over the economic cycle. Therefore, an inflation rate of 2.5 per cent on average is assumed. This suggests a real long-term government bond rate of between 2.63 and 3.29 per cent is currently applicable. This range is inclusive of the 3 per cent used in many studies. Current observed rates are in the lower range of historically observed rates. If nominal rates are expected to increase into the future, the discount rate should reflect this. Given the subjective nature of the discount rate and to improve comparability with other studies, average life outcomes can be adjusted to reflect discount rates of 0 per cent and 5 per cent. A discount rate of 0 per cent (5 per cent) and 45 remaining years of life will result in average life outcomes nearly twice (73 per cent of) the cost offsets reported here.

### **7.3 Estimated cost of health and justice services and population utilisation rates**

The estimated 2005-06 government unit costs of health and justice services included in cost offsets analysis together with average population utilisation rates for services is reported in Table 7.2. Appendix J provides details of the method used to calculate the estimates along with the data sources. Unit costs relate to government costs only.

Client service utilisation rates are self-reported and derived from responses to questions in the Client Survey (see Chapter 4), based memory of occurrences over the prior year. This could create a bias in client utilisation rates which does not exist in population averages. Privacy issues, a lack of data elements in administrative data relating to accommodation and limited linkage of administrative data means that it is not currently feasible to identify actual service utilisation by people experiencing homelessness or by individuals (Pinkney and Ewing 2006). Therefore, more objective data is not currently available and survey responses represent the best estimate.

In the case of health services, the cost of a stay in hospital of one night or more is based on the average stay, excluding same day separations, of 6.5 nights (SCRCSSP 2005). Clients who report one or more stays in hospital are also asked the total number of nights in hospital over the last year. Only 30 per cent of respondents who report a stay in hospital answered this question, and in some client cohorts no respondents who indicated they had a stay in hospital answered this question. Due to the low response rate, the information is not used when assessing the value of cost offsets. The 6.5 nights is likely to be a conservative estimate of the average hospital stay for respondents. On average, 43.7 per cent of respondents reported a diagnosis for a mental illness, compared with a population average of 18 per cent (AIHW 2004a). AIHW (2004a) reports that the average length of stay in hospital is higher for people when there is an additional mental health diagnosis. In addition, overseas studies such as Salit et al. (1998), Eberle et al. (2001a, b), Culhane et al. (2002) and the Corporation for Supportive Housing (2004) report a longer average stay in hospital for people who are homeless compared with the population average.

In the case of justice services, clients who report being held overnight by police, being in prison, or being in detention, remand or correction are also asked the total number of nights in custody in the prior year. Only 60 per cent of community centre clients and 44 per cent of clients in other programs specified the number of nights held overnight by police. The low response rate means that specified nights for each service cannot be used. However, as no population statistics are available for average nights held by police, the average reported two nights per incident is used throughout to determine the cost of being held by police when comparing client cohorts. Both the incidence and the cost of being held overnight by police are comparatively small, and conclusions are unlikely to be sensitive to this assumption.

Of respondents from community centres who indicate they had spent time in prison or in detention, remand or correction, 100 per cent specified the number of nights in custody. In particular, the average number of nights in prison was 73. This is significantly fewer than the prison population average of 10 months (ABS 2006a). Justice cost offsets, which are to time in prison and in detention, remand or correction for community centre clients, are therefore based on the specified number of nights.

When considering other programs, TASS and Re-entry Link clients, as would be expected, report a significantly higher number of nights/year in custody than other programs. Of TASS/Re-entry clients who had been in prison and in detention, remand or correction, 70 per cent and 86 per cent respectively specified the number of nights, the average being 158 nights in prison and 61.67 nights on remand. In other

programs, clients who had been in custody report an average 13.4 nights in prison and 17.2 nights in detention, remand or correction. Recognising this variation, cost offsets for these services are calculated with reference to the relevant program nights/year.

**Table 7.2: Health and justice services – unit cost and population utilisation levels**

	<i>Government cost/incident \$2005-06</i>	<i>Average population incidence/year</i>
<b><i>Health services</i></b>		
GP visit	37	4.21
Specialist visit	56	0.81
Nurse/other worker visit	10	0.19
Health worker visit to me	37	N/A
Hospital stay, one night or more	6,796	0.1
Casualty or emergency	361	0.354
Outpatient	119	1.4
Other health worker visit	66	N/A
Ambulance	566	0.118
<b><i>Justice services</i></b>		
Victim assault/theft	1,133	0.18
Stopped by police in street	151	0.17
Stopped by police in vehicle	60	0.84
Apprehended by police	151	0.02
In court	850	0.06
In prison	56,570	0.002
Visit from justice officer	151	N/A
Per night held by police	134	N/A
Per night in prison	186	0.61 nights/year
Per night detention/remand/correction	134	N/A

N/A indicates that population incidence rates are not available for this item

## **7.4 Cost offsets – community centres**

Table 7.3 compares the average per person cost of health and justice services for clients of community centres and for the population. Columns (1) and (2) report the average per person incidence of service use and associated government cost per annum for the population. Columns (3) and (4) report the corresponding figures for clients of community centres, calculated as described in section 7.2. Column (5) reports the annual cost difference and Column (6) the associated average life outcome. For example, on average, Western Australians report 4.21 GP visits per year, with an associated annual government cost of \$155. Community centre clients report an average 5.03 GP visits per year, with an associated annual government cost of \$185. This represents an additional \$30/person/year for community centre clients, or \$735 per person over the average remaining life of 45 years.

On average, the cost of health services for a community centre client is \$10,217 per person per year greater than the population average, and higher for every service considered.

The associated average life outcome is \$250,544/person. Cost of hospital visits is the major factor, accounting for \$8,893 per annum (87 per cent) of the difference, \$218,034 over the average remaining life. Average use of casualty, emergency and ambulance services is also much higher for community centre clients. However, the cost per occasion of use is much smaller for these services than for a stay in hospital, and the effect on overall cost is correspondingly smaller. When evaluating health cost offsets, average population incidence are not available for 'health worker visits to me' and 'other health worker visits'. The average costs of these services are not included in comparisons made with the total population. The use of these services by clients of homelessness services is a comparatively small and the cost per incident is also small. Conclusions are unlikely to be sensitive to this omission.

The average cost of justice services for a community centre client is \$3,810 per person per year greater than the population average, with an associated average life outcome of \$93,414 per person. Times in court and nights in prison are the major factors, accounting for \$2,682 (70 per cent) of the annual difference. The incidence of assault or theft and all police contact, except for contact in a vehicle, are also much greater for community centre clients, but the cost per incident is comparatively small. Average population incidence estimates are not available for 'nights held by police', 'nights in detention, remand or correction' or 'visits from justice officer'. Therefore, these costs are omitted from comparisons made with the total population, underestimating the value of the cost offset for justice services. The average cost per community centre client of being held overnight by police and in detention, remand or correction are \$251 and \$1,415, respectively. The SCRCSSP (2006) reports a population average cost per person (WA) of \$330 for police services and \$120 for corrective services in 2004-05. This implies that the average population cost for the omitted services is significantly less than that reported for community centre clients, and that the reported difference in total justice costs is underestimated.

Appendix K reports on health and justice cost offsets, which may occur from preventing homelessness among community centre clients. In other words, the costs of community centre clients who have not experienced primary homelessness or temporary accommodation outcomes in the year prior to the survey are compared with those who have.

Overall, the cost of services is higher for respondents who have experienced primary homelessness or temporary accommodation. Utilisation of justice services is uniformly higher for those experiencing homelessness than those who do not. For health services, those who experience homelessness report much higher utilisation of higher unit cost services (hospital, emergency and casualty, and ambulance), but a lower use of all other services. These results are consistent with overseas literature. For example, the Corporation for Supportive Housing (2004) reports that in San Francisco those who experience homelessness account for 1.6 per cent of the city's population, but 26 per cent of hospital stays and 24 per cent of emergency room visits.

Table 7.3: The cost of health and justice services – community centre clients compared with the general population

	<i>Population statistics</i>		<i>Community Centre clients</i>		<i>Difference/person</i>	
	<i>Average occurrences (1)</i>	<i>Average cost \$ (2)</i>	<i>Average occurrences (3)</i>	<i>Average cost \$ (4)</i>	<i>Annual difference \$ (5)=(4)-(2)</i>	<i>Average life outcomes \$ (6) = PV of (5), n=45, i=3 per cent</i>
<b>Health services</b>						
GP	4.21	155	5.03	185	30	735
Specialist	0.81	45	2.16	121	76	1857
Nurse/other worker	0.19	2	1.43	15	13	314
Hospital, ≥ 1 night	0.10	680	1.41	9572	8893	218034
Casualty or emergency	0.35	128	1.86	672	544	13348
Outpatient	1.40	167	2.00	238	72	1761
Ambulance	0.12	67	1.16	658	591	14495
<b>Total health</b>		1,243		11,461	10,217	250,544
<b>Justice services</b>						
Victim assault/theft	0.18	204	0.60	680	476	11667
Stopped by police in street	0.17	26	3.28	495	470	11518
Stopped by police in vehicle	0.84	50	0.81	49	-2	-38
Apprehended by police	0.02	3	1.24	187	184	4519
In court	0.06	51	1.39	1180	1129	27677
Nights in prison	0.61	113	8.96	1666	1553	38071
<b>Total justice</b>		447		4,257	3,810	93,414
<b>Total offsets</b>					14,027	343,985

Table 7.4: Cost of health and justice services – clients of homelessness programs compared with the population

	<i>Population statistics</i>		<i>Panel A Victims of domestic violence and single women</i>				<i>Panel B Single men</i>			
			<i>Annual use</i>		<i>Difference/person</i>		<i>Annual use</i>		<i>Difference/person</i>	
	<i>Average occurrences (1)</i>	<i>Average cost \$ (2)</i>	<i>Average occurrences (3)</i>	<i>Average cost \$ (4)</i>	<i>Annual difference \$ (5)=(4)-(2)</i>	<i>Average life outcomes \$ (6) = PV of (5), n=45, i=3 per cent</i>	<i>Average occurrences (3)</i>	<i>Average cost \$ (4)</i>	<i>Annual difference \$ (5)=(4)-(2)</i>	<i>Average life outcomes \$ (6) = PV of (5), n=45, i=3 per cent</i>
<b><i>Health services</i></b>										
GP	4.21	155	6.61	243	88	2,164	3.73	137	-18	-437
Specialist	0.81	45	3.04	170	125	3,064	1.00	56	11	260
Nurse/other worker	0.19	2	3.06	32	30	729	1.41	15	13	310
Hospital, ≥ 1 night	0.10	680	0.94	6,381	5,702	139,802	1.28	8,716	8,036	197,039
Casualty or emergency	0.35	128	1.35	489	361	8,851	1.37	493	365	8,953
Outpatient	1.40	167	2.04	242	76	1,859	0.96	114	-53	-1,291
Ambulance	0.12	67	0.53	298	231	5,662	1.04	591	524	12,858
Total health		1,243		8,022	6,779	166,213		10,190	8,947	219,359
<b><i>Justice services</i></b>										
Victim assault/theft	0.18	204	2.15	2,441	2,237	54,851	.043	492	288	7,070
Stopped by police in street	0.17	26	0.35	53	27	661	1.70	257	231	5,668
Stopped by police in vehicle	0.84	50	0.62	37	-13	-323	1.55	93	43	1,048
Apprehended by police	0.02	3	0.44	66	63	1,536	1.31	198	195	4,774
In court	0.06	51	0.91	773	722	17,694	0.00	0	-51	-1,250
Nights in prison	0.61	113	0.00	0	-113	-2,782	3.62	673	559	13,718
Total justice		447		3,369	2,922	74,855		1,713	1,265	48,417
Total offsets					9,701	241,068			10,212	267,776

	<i>Population statistics</i>		<i>Panel C Families general</i>				<i>Panel D SHAP</i>			
			<i>Annual use</i>		<i>Difference/person</i>		<i>Annual use</i>		<i>Difference/person</i>	
	<i>Average occurrences (1)</i>	<i>Average cost \$ (2)</i>	<i>Average occurrences (3)</i>	<i>Average cost \$ (4)</i>	<i>Annual difference \$ (5)=(4)-(2)</i>	<i>Average life outcomes \$ (6) = PV of (5), n=45, i=3 per cent</i>	<i>Average occurrences (3)</i>	<i>Average cost \$ (4)</i>	<i>Annual difference \$ (5)=(4)-(2)</i>	<i>Average life outcomes \$ (6) = PV of (5), n=45, i=3 per cent</i>
<b><i>Health services</i></b>										
GP	4.21	155	5.36	197	42	1041	7.71	283	129	3,151
Specialist	0.81	45	1.70	96	50	1227	2.50	140	95	2,329
Nurse/other worker	0.19	2	2.06	21	19	475	4.16	43	41	1,008
Hospital, ≥ 1 night	0.10	680	1.06	7221	6541	160,381	1.35	9,144	8,464	207,537
Casualty or emergency	0.35	128	2.62	945	817	20,030	2.17	783	655	16,069
Outpatient	1.40	167	1.97	235	68	1,670	3.00	357	190	4,668
Ambulance	0.12	67	0.85	480	413	10,124	1.47	832	765	18,756
Total health		1,243		9,312	8,069	197,832		11,886	10,643	260,960
<b><i>Justice services</i></b>										
Victim assault/theft	0.18	204	1.28	1,453	1,249	30,627	1.41	1,595	1,391	34,113
Stopped by police in street	0.17	26	1.70	256	231	5653	0.76	114	88	2,170
Stopped by police in vehicle	0.84	50	1.28	77	26	650	1.64	98	48	1,171
Apprehended by police	0.02	3	1.98	299	296	7245	0.60	90	87	2,138
In court	0.06	51	2.17	1,844	1,793	43,964	1.10	933	882	21,633
Nights in prison	0.61	113	2.24	416	303	7,424	0.84	157	44	1,068
Total justice		447		4,345	3,898	114,248		2,988	2,541	71,355
Total offsets					11,967	312,080			13,184	332,315

	<i>Population statistics</i>		<i>Panel E PRSAP</i>				<i>Panel F TASS and re-entry</i>			
			<i>Annual use</i>		<i>Difference/person</i>		<i>Annual use</i>		<i>Difference/person</i>	
	<i>Average occurrences (1)</i>	<i>Average cost \$ (2)</i>	<i>Average occurrences (3)</i>	<i>Average cost \$ (4)</i>	<i>Annual difference \$ (5)=(4)-(2)</i>	<i>Average life outcomes \$ (6) = PV of (5), n=45, i=3 per cent</i>	<i>Average occurrences (3)</i>	<i>Average cost \$ (4)</i>	<i>Annual difference \$ (5)=(4)-(2)</i>	<i>Average life outcomes \$ (6) = PV of (5), n=45, i=3 per cent</i>
<b><i>Health services</i></b>										
GP	4.21	155	5.60	206	51	1,252	2.68	99	-56	-1,375
Specialist	0.81	45	2.89	162	117	2,858	1.50	84	39	952
Nurse/other worker	0.19	2	3.13	32	30	745	2.32	24	22	541
Hospital, ≥ 1 night	0.10	680	0.96	6,538	5,858	143,634	0.96	6,494	5,814	142,551
Casualty or emergency	0.35	128	1.91	688	560	13,733	0.50	181	53	1,297
Outpatient	1.40	167	1.74	207	40	989	0.73	87	-80	-1,961
Ambulance	0.12	67	0.63	355	289	7,078	0.32	180	113	2,782
Total health		1,243		8,327	7,084	173,702		7,362	6,119	150,036
<b><i>Justice services</i></b>										
Victim assault/theft	0.18	204	0.20	227	23	556	0.68	773	569	13,959
Stopped by police in street	0.17	26	0.33	50	24	592	1.27	192	167	4,087
Stopped by police in vehicle	0.84	50	0.73	44	-7	-160	1.91	115	64	1,576
Apprehended by police	0.02	3	0.40	60	57	1,396	2.25	340	337	8,256
In court	0.06	51	0.64	548	497	12,182	3.78	3,210	3,159	77,455
Nights in prison	0.61	113	0.44	82	-31	-765	158.00	29,388	29,275	717,774
Total justice		447		1,010	563	15,144		34,018	33,571	991,912
Total offsets					7,647	188,846			39,690	1,141,948

## 7.5 Cost offsets – SAAP, SHAP, PRSAP, TASS and re-entry link

We now turn to an analysis of results from the *Client Survey*. First, health and justice service cost offsets are estimated for each of the main homelessness programs based on Client Survey findings using the same method as described previously. We then estimate cost offsets by comparing service utilisation over the prior year reported in Wave 1 of the survey and in the 12-month follow-up.

Table 7.4 compares average per person cost of health and justice services for clients of each of the programs with the population average. Each program is reported separately, except for TASS and Re-entry which are combined as the number of respondents is insufficient to report separate results: service utilisation and associated cost for SAAP-DV and Single Women services in Panel A, SAAP-Single Men in Panel B, SAAP-Families & General services in Panel C, and SHAP, PRSAP and TASS/Re-entry Link in Panels D, E and F respectively. Columns (1) and (2) report the average per person incidence of service use and associated government cost per annum for the population, Columns (3) and (4) within each Panel report the corresponding figures for the program's clients, calculated as described in section 7.2. Column (5) reports the annual cost difference and Column (6) the associated average life outcome. For example, from Panel A, clients of SAAP-DV and Single Women services report an average 6.61 visits per year to the GP, with an associated cost of \$243, \$88 per year greater than the population average of \$155. The associated average life outcome is an additional cost of \$2,164 per person over a 45 year period. Panel B, SAAP-Single Men, report only 3.73 visits per year to a GP, costing \$137. This is \$18 per year less than the average population cost of \$155 per year, with an average life outcome of -\$437.

For all programs, the average cost of both health and justice services used by clients exceeds the population average. The total potential cost offset ranges from \$7,647/person/year for PRSAP clients (Panel E) to \$39,690 per person per year for TASS/Re-entry Link clients (Panel F). The associated average life outcomes range from \$188,846 per person for PRSAP clients to \$1,141,948 per person for TASS/Re-entry Link clients. There are very few instances where client use of an individual service is less than the population average. For all programs except TASS/Re-entry Link over two-thirds of the cost difference relates to health services. In particular, the higher frequency of hospital visits reported by clients compared with the population adds between \$5,702 per person per year for SAAP-DV and Single Women services clients (Panel A) and \$8,464 per year for SHAP clients (Panel D) to the government cost of health services. Panel F shows that for TASS/Re-entry Link clients the potential cost offset relating to hospital stays is similar to other programs, but the largest cost difference relates to the cost of time in prison, \$29,388 per person per year. This is expected, given the target population of these programs. It represents a significant potential government savings if subsequent periods of incarceration can be avoided through the provision of housing support.

Potential cost offsets are also determined by comparing service utilisation by clients who experienced a period of primary homelessness, temporary accommodation and unsafe accommodation over the prior year with those who did not. The results are presented in Appendix K. Given the relatively small numbers involved in these within-program comparisons, estimates of cost offsets need to be treated with some caution.

Total average cost of health services is greater for those experiencing a period of primary homelessness or temporary accommodation in the prior year, compared with those who have not, for all client groups except for SAAP-Single Men and SAAP-

Families & General services clients. In all cases, the cost of stays in hospital constitutes both the largest proportion of health costs and the largest cost differential. For most client groups, the incidence of hospital stays is greater for those who experienced primary homelessness or temporary accommodation in the year prior to support. If the average length of each stay is also longer for these clients, the real health cost offset associated with preventing homelessness is larger than that reported here. When considering justice services, for all client groups except SAAP-Single Men, the cost is higher when primary homelessness or temporary accommodation is experienced. SHAP and PRSAP clients experiencing primary homelessness or temporary accommodation in the year prior to support report higher use of almost all justice services as compared to clients in these two programs who had not experienced homelessness in the prior year.

Our final analysis of cost offsets considers the change in service use reported by the 35 clients who participated in the 12-month follow-up survey. Table 7.5 compares service utilisation and its associated cost for the twelve months prior to beginning with the service (collected at Wave 1) and the twelve months since beginning with the service (collected at 12-month follow-up). Due to the small sample size, it is not possible to estimate costs by program. A sample bias is also likely, as the characteristics of respondents participating in the 12-month follow-up survey may not be representative of Wave 1 respondents. Only 50 per cent of respondents participating in the follow-up survey with a stay in hospital provided information on the number of nights spent in hospital. This is greater than the 30 per cent of total Wave 1 respondents who answered this question. Clients participating in the follow-up survey who reported a stay in hospital prior to commencing with the service were in hospital on average 5 nights per stay, those reporting a stay in hospital after commencing with the service report more stays in hospital per year, but each stay is shorter, averaging only 3.5 nights per stay. Therefore, 'Hospital,  $\geq 1$  night', calculated as described previously using the population average 6.5 nights per stay and number of hospital stays, may overestimate the increased cost of hospital stays. Therefore, estimated cost of hospital stays is also reported in Table 7.5 as 'Nights in hospital over the year', calculated as (average nights in hospital per year) x (cost per night). As the cost per night in hospital is comparatively high, the change in the cost of hospital stays, 'Total health costs' and 'Total offsets' are sensitive to how this cost item is estimated.

Table 7.5 shows average health costs after beginning with the service to be higher than in the year prior. Justice costs are all lower after beginning with the service than in the year prior. Whether 'Total offsets' are positive or negative is sensitive to the method used to estimate the cost of hospital stays. Using client reported stays, 'Total offsets' increases by \$1,913 per person per year. However, as noted above, this is likely to overestimate the increased cost of hospital stays. Using client reported nights in hospital, the reduction in annual justice costs is greater than the increase in annual health costs by \$811 per person, resulting in an overall reduction in cost.

The uniform decrease in the utilisation and cost of justice services represents a positive outcome for these clients, and an annual net cost savings of \$1,739 per person to government. The main increase in health costs relates to stays in hospital. Although this increases government costs, it may represent a positive outcome if clients are receiving appropriate healthcare as a result of support. All five clients who reported 10 or more days in hospital in the year after commencing support also reported mental health conditions and/or long-term physical health conditions prior to entry to support, with four reporting greater than one need requiring intensive support. In each case, these conditions existed on initial entry to support. Hence, it is possible that increased use of hospital services reflects greater access to services needed prior to support but not accessible. Further study of this issue is clearly required.

**Table 7.5: Cost of health and justice services – use by clients, the year prior to beginning with the service compared with the year service provided**

	<i>Annual Use</i>				<i>Difference/person</i>	
	<i>Year prior</i>		<i>Year service provided</i>		<i>Annual difference \$ (5)=(4)-(2)</i>	<i>Average life outcomes \$ (6) = PV of (5), n=45, i=3 per cent</i>
	<i>Average occurrences (1)</i>	<i>Average cost \$ (2)</i>	<i>Average occurrences (3)</i>	<i>Average cost \$ (4)</i>		
<b>Health services</b>						
GP	5.76	212	6.07	223	11	279
Specialist	2.17	122	2.13	119	-2	-52
Nurse/other worker	2.72	28	2.47	26	-3	-63
Visit to me	1.65	61	0.40	15	-46	-1133
Hospital, ≥ 1 night**	1.07	7,245	1.61	10,972	3,728	91,396
Casualty or emergency	1.95	705	1.86	670	-35	-867
Outpatient	1.91	228	1.55	184	-43	-1,059
Other health worker	1.00	66	1.65	109	43	1,052
Ambulance	0	0	0	0	0	0
Total health (hospital stays)**		8,666		12,318	3,652	89,553
Nights in hospital over the year*	3.13	3,271	4.09	4,274	1,003	24,597
Total health (nights in hospital)***		4,692		5,620	928	22,754
<b>Justice services</b>						
Victim assault/theft	0.99	1,117	0.34	382	-735	-18,015
Stopped by police in street	0.74	111	0.70	105	-6	-148
Stopped by police in vehicle	1.16	69	0.40	24	-46	-1,120
Apprehended by police	1.12	170	0.33	51	-119	-2,919
Held overnight by police	0.58	157	0.27	71	-85	-2,096
In court	1.51	1,284	1.37	1,164	-119	-2,928
Nights in prison	1.84	342	0.06	11	-331	-8,118
Nights in remand	1.71	229	0.09	11	-218	-5,337
Visit from Justice officer	1.07	162	0.54	82	-80	-1,960
Total justice		3,640		1,901	-1,739	-42,641
Total offsets (hospital stays)**					1,913	46,912
Total offsets (nights in hospital)***					-811	-19,887

\* Calculated as (sum of 'nights in hospital')/(23 respondents to this question).

\*\* Consistent with health offsets reported previously.

\*\*\* Excludes 'Hospital, ≥ 1 night', includes 'Nights in hospital over the year'.

## 7.6 Program costs net of cost offsets

The net cost of providing homelessness programs is defined to be the gross cost less any resulting change in the cost of other government services. We use our population offsets estimates for this purpose. Health and justice service utilisation by clients of all programs that are the subject of analysis is generally higher than the population on average and, except for the clients of SAAP-Single Men and SAAP-Families &

General services; clients who experience a period of homelessness in the prior year also incurred higher health and justice than clients who did not. Also, the follow-up survey suggests that justice service and health service use may decrease, while use of hospitals for a small number of clients with pre-existing mental and physical health conditions increases with the provision of support. These differences in health and justice costs represent potential government cost reductions in avoidable outlays, or cost offsets, from providing assistance and preventing a period of homelessness. Therefore, the cost of providing homelessness prevention services should be assessed net of these cost offsets.

### 7.6.1 *Community centre costs net of offsets*

Community centres generally do not keep a record of client numbers or the number of times a client accesses their services. For this reason, it has not been possible to estimate a cost per client. On average, based on findings from the *Community Centre Survey*, the cost of health and justice services for community centre clients is \$14,027 per person per year more than the population average. The cost is higher for those experiencing homelessness, with health and justice offsets relating to homelessness being \$16,618 per person per year, with an associated average life outcome of \$407,469. As community centres do not provide accommodation services, the cost of service provision will primarily relate to recurrent expenditure. The recurrent funding per client for other homelessness services ranges from \$1,826 for Re-entry to \$5,502 for TASS. Even if the cost of preventing homelessness for community centre clients was as high as \$5,500 per person, the potential savings are substantially greater. Even if only one-third of the annual offsets/client were achieved, they would more than equal a \$5,500 per client cost of providing housing assistance. When potential ongoing savings are considered, only 1.4 per cent of the estimated average life outcomes would need to be achieved to offset the cost of preventing homelessness.

The cost offsets calculated for the primary homelessness and unsafe accommodation scenarios are \$15,314 and \$35,009 per client per year, respectively, also substantially greater than the cost of providing housing assistance. Even if accommodation services were provided for these clients, the potential benefits of preventing homelessness are even greater than the \$14,340 total cost per TASS client, which includes a 6-month tenancy. Therefore, it is unlikely that the cost of providing this type of support would be greater than the potential benefits.

### 7.6.2 *Homelessness program costs net of cost offsets*

Table 7.6 reports average program cost net of health and justice cost offsets in respect of homelessness programs that are the subject of analysis in this study using evidence drawn from the *Client Survey*. 'Program costs net of "population offsets"' are reported in Panel A; these are net of the cost offsets estimated by comparing service utilisation rates with those of the population and represent total achievable offsets if the characteristics of clients are the same as the population on average.

'Program costs net of "homelessness offsets"' are reported in Panel B. These are determined by comparing service utilisation rates for clients who have/have not experienced a period of homelessness (primary homelessness and temporary accommodation or couch surfing) in the year prior to support. As noted previously, the analysis of 'homelessness offsets' is presented in Appendix K.

Program costs per person are reported net of both annual offsets and average life outcomes. It should be noted that the cost per client reported for SAAP and TASS includes the imputed opportunity cost of capital. Re-entry Link is estimated both with and without opportunity cost. As data is not available to estimate a unit cost per client by SAAP target group, the average program cost per client is applied for all SAAP

services. As reported in Chapter 6, the cost per client is lower for services which take single clients only than for services which take a mixture of families and singles, and is lower for crisis short-term accommodation than medium- to long-term accommodation.

Panel A shows that for all programs, the value of annual population offsets is at least twice as large as the annual program cost, resulting in a significant potential net government cost savings from providing assistance. For example, the cost per client for SAAP-Single Men clients is \$4,625, the associated population offset is over twice that amount, at \$10,212, resulting in a negative net program cost, or net cost savings, of -\$5,587 per person per year. Thus, if reduced service utilisation only occurs in the year of support, one half of the potential savings would need to be achieved for the program cost to be offset by reduced health and justice costs. For Re-entry Link clients, potential annual offsets are 21.7 times recurrent program cost and 6.3 times total cost where accommodation is provided. If support results in changed service utilisation over the client's remaining life, only a small proportion of average life outcomes need to be achieved in order for programs to pay for themselves in health and justice savings. The proportion ranges from 0.2 per cent for Re-entry Link clients to 1.9 per cent for SAAP-DV and Single Women clients.

When considering potential offsets derived from a within-client-group comparison of those experiencing a spell of homelessness in the prior to support and those who have not (Panel B), for clients of SAAP-DV and Single Women services, PRSAP, SHAP and Re-entry Link programs without accommodation, the government cost of providing the service is more than offset by the reduced cost of health and justice services. In the case of PRSAP and Re-entry Link programs, the savings are approximately double the cost of providing services. It should be noted that the majority of services for single women and victims of domestic violence offer crisis/short-term accommodation, so actual cost per client is likely to be less than the SAAP average; correspondingly, the net cost per client is likely to be overestimated.

The cost of the TASS program is partially offset by reduced health and justice costs. The potential savings substantially offset the recurrent funding per client of \$5,502, but only represent 29 per cent of the total cost once the opportunity cost of capital is included. The relation between program cost and potential cost offsets for TASS and Re-entry may be sensitive to the assumption of a common cost offset. It is possible (indeed probable given the higher needs of TASS clients) that the value of the cost offsets is larger for TASS clients than Re-entry Link clients. The Re-entry Link recurrent cost per client represents only 44 per cent of the value of estimated annual offsets, therefore it is unlikely that the value of offsets is less than the recurrent program cost/client. It is possible that the value of annual cost offsets for TASS clients is larger than the recurrent program cost/client, but unlikely that it is greater than the total TASS cost inclusive of opportunity cost.

When undertaking a within-client group comparison of SAAP-Families & General services and SAAP-Single Men clients, total cost offsets are estimated to be negative. This means that preventing a period of homelessness incurs program costs and increases the government cost of health and justice services. For SAAP-Single Men, both health and justice offsets are negative; for SAAP-Families & General services clients, only health offsets are negative. The higher use of health services may reflect better health outcomes when a period of homelessness is not experienced and reflect a positive outcome for clients. However, higher justice costs for single men not experiencing homelessness cannot be interpreted as a positive outcome in terms of quality of life or financial benefit. As discussed previously, program cost reported is the SAAP average cost per client; this is likely to overestimate the cost/client for

SAAP-Single Men services. However, the cost for SAAP-Families & General services clients may be underestimated, as services which accommodate families generally report a higher cost per client.

Where preventing a period of homelessness is expected to result in reduced utilisation of health and justice services over the client's remaining life, the value of cost offsets is represented by the average life outcomes. These are much larger than the cost/client of providing homelessness prevention services, ranging from \$100,493 for TASS/Re-entry Link clients to \$144,530 for SHAP clients. Therefore, where cost offsets are positive, preventing a period of homelessness would result in substantial ongoing government cost savings. The proportion of average life outcomes required to be realised in order to offset the cost of preventing homelessness ranges from 1.85 per cent for Re-entry Link clients without accommodation to 14.3 per cent for TASS clients, with other programs requiring between approximately 4 and 6 per cent of average life outcomes to be achieved.

**Table 7.6: Program costs net of health and justice service cost offsets**

<i>Target group per program</i>	<i>Program cost per client \$* (1)</i>	<i>Program costs net of 'population offsets'</i>			
		<i>Health &amp; justice offsets per person per year \$ (2)</i>	<i>Cost per client net of annual offsets \$** (3) = (1)-(2)</i>	<i>Average life outcomes per person \$ (4)</i>	<i>Cost per client net of average life outcomes \$** (5)=(1)-(4)</i>
SAAP-DV & Single Women	4,625	9,701	-5,076	241,068	-236,443
SAAP-Single Men	4,625	10,212	-5,587	267,776	-263,151
SAAP-Families & General	4,625	11,967	-7,342	312,080	-307,455
PRSAP	2,842	7,647	-4,805	188,846	-186,004
SHAP	3,835	13,184	-9,349	332,315	-328,480
TASS	14,340	39,690	-25,350	1,141,948	-1,127,608
Re-entry Link – no accommodation	1,826	39,690	-37,864	1,141,948	-1,140,122
Re-entry link with accommodation	6,326	39,690	-33,364	1,141,948	-1,135,622

\* Source –Table 6.3

\*\* Note: A negative cost per client suggests that the cost of providing homelessness prevention services is more than offset by savings from reduced use of health and justice services, resulting in a net savings to government from preventing a period of homelessness.

## 7.7 Conclusion

Providing assistance to prevent homelessness has a range of benefits for clients and for society. Survey results show that the cost of health and justice services is greater for clients of homelessness programs than the population in general, and the total potential cost offsets from providing assistance are substantially greater than the cost of support.

Furthermore, for most client groups, those experiencing a period of homelessness or unsafe accommodation report higher utilisation of health and justice services than those who do not. This suggests that within each client group, preventing a period of homelessness potentially results in government savings, or cost offsets, in these areas.

## 8 SUMMARY AND IMPLICATIONS FOR FUTURE RESEARCH

### 8.1 Summary

This study aimed to estimate the extent to which the provision of services to homeless people and those at imminent risk of becoming homeless in Western Australia produces improved outcomes for those who are assisted and, in so doing, lowers program outlays in other areas (e.g. health and justice systems) and increases government tax receipts. The evidence gathered shows that programs produce positive outcomes for clients in the period immediately following the provision of support, and does so at low cost of delivery relative to the delivery of other services. Indeed, if homelessness programs were able to reduce the utilisation of avoidable health and justice facilities by clients of homelessness programs down to population rates of utilisation, the savings achieved would pay for the homelessness programs several times over. This suggests that there is potential for homelessness programs to be very cost-effective.

The positive outcomes experienced by clients as a result of the assistance provided should be understood against their background as they enter support. Many clients of homelessness programs do so having experienced a history of homelessness and/or unsafe living. Around a quarter experience at least one episode of primary homelessness prior to the age of 18, while around the same proportion experience at least one period of an unsafe living environment involving episodes of violence of one kind or another prior to the age of 18. From the age of 18, the incidence of each of these forms of marginalised housing and living increases significantly.

Furthermore, nearly half of respondents currently experience a mental health condition, close to a third experience a long-term physical health condition, and around a fifth express concerns about their own alcohol and drug use. Clients typically present to homelessness services with multiple needs requiring ongoing or intensive support. Their self-esteem, own-assessed quality of life and satisfaction with various dimension of life is very low relative to Australian norms.

A primary goal of SAAP services is to provide shelter to those who are in primary homelessness and enable those who are in secondary and tertiary homelessness to move to secure permanent accommodation, most particularly, public housing, but also private rental housing. A significant majority of both SAAP-Single Men clients and SAAP-Families and General services client respondents move into a SAAP support period from a non-permanent accommodation position, whether that was from primary homelessness or from a position of temporary accommodation. The evidence from the SAAP National Data Collection is that a high proportion of those who enter from a position of primary homelessness leave to secure permanent accommodation. Likewise, in terms of our own *Client Survey*, those who were in primary homelessness on entry or who were living in temporary accommodation at that time remained housed through the survey follow-up period. Furthermore, over four-fifths of those in temporary accommodation prior to support were no longer in that position at either the 3-month or the 12-month Wave point and were located in other accommodation states. There was also a net significant reduction in the use of SAAP/CAP accommodation options by the relevant cohort of respondents over the 12 months of the *Client Survey*.

In addition to the accommodation related support that SAAP agencies provide, homelessness programs assist public housing and private rental clients at imminent risk of eviction and possible homelessness to maintain their accommodation and help

resolve the immediate and long-term triggers that led to referral to the program. The majority of those assisted in homelessness programs retain their housing and partially or fully resolve the immediate housing problems that brought about the initial referral. The evidence from the *Client Survey* is that those receiving tenant support program services remained in public or private rental housing through the period of the survey follow-up, and that triggers for referral such as rent arrears or tenant liabilities were being tackled effectively.

Another critical housing support intervention is in respect to community transition programs for those leaving prison. Housing is available either through fixed-term public housing leases or short-term community housing leases. This provides a critical element of stability for clients and enables them more effectively to reintegrate into the community. While it is too early to reach definitive conclusions, the early evidence from the TASS and Re-entry Link programs is that these programs are proving beneficial in lowering rates of recidivism and are making a positive contribution to the lives of individuals who have previously returned to prison.

Following entry to support, *Client Survey* study participants reported a significant improvement in housing outcomes because of the assistance they received. More than half reported that their housing position was much better than before assistance was forthcoming, and a further quarter indicated that it was somewhat better. In other words, over 80 per cent of study participants reported an improvement in their housing outcomes directly resulting from the provision of support.

A second fundamental immediate impact of support is that homelessness program agencies provide an environment which improves clients' perception of safety; 62.0 per cent of clients in the *Client Survey* reported that assistance had resulted in improved feelings of safety. The strongest response (86.1) is in the SAAP-DV and Single Women category.

One area where *Client Survey* study participants report much lower levels of positive change following the provision of support is that of employment opportunities. Such a finding needs, however, to be read against the past employment histories of clients, the difficulties in meeting both immediate crisis needs of individuals and their long-term aspirations, and the fact that homelessness program agencies may not always be in a good position to assist in the job search process. It is important also to recognise that employment histories and self-assessed employment outlooks differ between clients of different homelessness programs and sub-programs.

The overwhelming majority of SAAP-Single Men service respondents in the *Client Survey*, for example, reported that they held at least one job over a two-year period prior to the start of their current support period. This provides hope that linkages with the labour market can be established again for clients of these services. It is with SAAP-Single Men and also TASS and Re-entry Link program clients that we also see the greatest improvement in employment outlook following the provision of support. Around half report that they experienced an improvement in their employment outlook following the provision of support, which is well above the proportion of respondents from other programs.

Most study respondents who completed the follow-up process experienced no change in their income and labour force status position between the beginning of the support period and the follow-up point. However, there were some minor positive movements. The reliance on government income support payments fell over the period of the 12-month survey. Correspondingly, the reliance on wage and salary income rose. The majority of *Client Survey* participants remained without employment over the period of

the survey. There was, however, a significant shift of respondents into paid employment.

There was a rise in overall satisfaction with life and in particular dimensions of life in the follow-up surveys, although outcomes remain below the Australian general population level. Study participants also displayed an improvement in their quality of life using the WHOQOL-BREF (Australian version) across all four quality of life domains (physical, psychological, social relationship and environment) from the point of the Wave 1 survey through to follow-up waves.

The qualitative component of this project sought to complement and enhance the data gathered through the *Client Survey* and *Community Centre Survey* by capturing the day-to-day experiences of people who are homeless, have been homeless or are at risk of becoming homeless. In-depth interviews indicated that not all those interviewed had previously been able to access homelessness and related services when they needed to. The result was that they remained homeless in one form or another, placed a strain on family and friends, were suspended from income support payments, did not have the capacity to secure employment, had poor nutrition and general self-care, and experienced compromised mental health and ongoing and increased problematic substance use.

According to written client comments in the *Client Survey*, the primary reported consequence of not receiving assistance in terms of supported accommodation was remaining in unsafe home environments, being homeless, being evicted and being incarcerated. One participant commented: 'I would be in jail now or deliberately tried to overdose'. Client respondents indicated that, without assistance, people are at a higher risk of offending and, for those who have recently been released from prison, at risk of breaching parole conditions. According to clients, the non-receipt of assistance can increase suicidal ideation, stress and mental health concerns, substance use, behavioural patterns which can include violence against others and self-harm, loss of self-esteem and self-confidence, and increased sense of social isolation. In terms of domestic and family violence, respondents commented that, without assistance, safety would have been seriously compromised.

For clients who responded to the follow-up waves of the *Client Survey*, the outcomes from gaining assistance were that long-term accommodation had been obtained, rental arrears had been addressed, skills in tenancy obligations had been developed, and people were learning to cope with daily problems and to generate a sense of control over their lives. Others referred to an increase in self-esteem, ongoing access to other support agencies such as drug and alcohol dependency and parenting support groups, and families having been reunified.

Program-specific recurrent funding for Western Australian homelessness services examined in this study totalled \$37,153,941 in 2005-06, assisting around 11,500 clients. Of this, 82.2 per cent, related to SAAP services. Including the \$8.5 million estimated opportunity cost of capital employed in providing SAAP and TASS services, the total cost of funding is estimated at \$45,653,941. This does not include the opportunity cost of accommodation available to some Re-entry Link services providers.

The report provides estimates of per client funding levels across the programs, but cautions against using such estimates to make comparisons in terms of their relative unit costs. Different data collection methods lead to potential differences in counts of the number of clients, and there are differences between programs with respect to the average duration of support, the rate of capacity utilisation and client needs. An appropriate unit of analysis on which costs of program delivery can be made is of an

'equivalent' day of support, taking into account the mix of services and clients involved. However, programs do not currently provide the raw information from which such estimates can be produced.

Recurrent funding per client ranges from an estimated \$1,826 per formal Re-entry Link client to \$5,502 per TASS client. The level of funding per SAAP client is \$3,682 (\$2,406 per support period). In terms of the two tenancy support programs for clients at risk of homelessness, funding is \$3,835 per SHAP client (\$2,663 per housed SHAP Homeless Advisory Service client) and \$2,842 per PRSAP client. As noted, one major factor leading to differences between the programs in terms of per client funding levels is the average duration of support. Programs with long-term support periods will turn over clients at a slower rate than other programs, resulting in higher per client costs all, other things being equal. This is the major reason for the differences between per client levels of funding across the programs. Once the opportunity cost of capital for client accommodation is included, the estimated total cost per client is \$4,625 SAAP, \$14,340 TASS and \$6,326 Re-entry Link.

Government funding to homelessness support agencies is not their only potential source of income. Through the *Agency Cost Survey*, we determined for each participating agency:

- The gross funds available for service delivery and the source of these funds;
- Ongoing costs involved in providing accommodation and support to clients;
- The unit cost of providing accommodation and support to clients, inclusive of the opportunity cost of capital.

For all programs except SAAP, government program specific funding accounts for at least 97.4 per cent of total funding. SAAP crisis and SAAP medium- to long-term services received 74.3 and 69.4 per cent, respectively, of their total income from program specific funding. Providers of SAAP services also raise income via other grants and donations, and operating income from rent and other sources. The additional funding means that the level or quality of services provided can be greater than that which would otherwise be available. In most instances, SAAP clients are charged rent, which is notionally used to cover the cost of property management, including the wages of property manager(s), maintenance and cleaning.

The major cost component is staff costs, accounting for between 52.5 and 68.7 per cent of costs overall. Where it is possible to identify property management staff costs, they represent an average 13.34 per cent of total staff costs. The other major cost item relates to overheads, which varies from 7.9 per cent for SAAP medium/long-term to 17.2 per cent for SAAP crisis services. Sufficient returns were available to assess the income/expenditure position of SAAP Crisis/short-term services by region and by client group. The average income and expense structure is sensitive to the client group, and the inclusion of single person services in metropolitan services accounts for many of the differences between metropolitan and non-metropolitan services.

Where accommodation is provided, the opportunity cost of capital represents a significant cost item, being 21 per cent of the total cost per SAAP crisis client and as high as 70 per cent of the total cost per Re-entry link client. The significance of this cost item highlights the importance of it being included when determining the cost of providing services that involve a significant capital investment, as is the case when accommodation is provided. SAAP crisis and medium/long-term service providers report a substantial 40 and 11.5 per cent, respectively, of the dollar value of accommodation available to their services is agency funded, either agency owned or through a joint venture with CAP or another government program.

As a result of receiving support from a homelessness program, the use of other government services by clients may change. The whole-of-government budgetary savings generated in non-homelessness based programs as a result of improved outcomes arising from the provision of homelessness programs are referred to as cost offsets. Studies which have endeavoured to cost potential saving arising from assisting a particular client group have imputed the cost of the group's use of government services and compared this with the population in general. This approach is also followed here, but the cost offset estimates gained from this approach represent a potential and not actual cost offset. We also estimate the value of cost offsets, involving the estimation of the difference in the utilisation of health and justice services between the year prior to support and the year following the provision of support and the cost of this differential. However, the sample size available for this analysis is small, making the results indicative only.

We derived estimates of cost offsets related to health and justice service expenditures using data from the *Community Centre Survey* and the *Client Survey*. In terms of the *Community Centre Survey*, on average, the cost of health services for a community centre client is \$10,217 per person per year greater than the population average, and higher for every service considered. The associated average life outcome is \$250,544 per person. The average cost of justice services for a community centre client is \$3,810 per person per year greater than the population average, with an associated average life outcome of \$93,414 per person.

Using data from the *Client Survey*, we find that, for all programs, the average cost of both health and justice services used by clients exceed the population average. The total potential cost offset ranges from \$7,647 per person per year for PRSAP clients to \$39,690 per person per year for TASS/Re-entry Link clients. The associated average life outcomes range from \$188,846 per person for PRSAP clients to \$1,141,948 per person for TASS/Re-entry Link clients. There are very few instances where client use of an individual service is less than the population average. For all programs except TASS/Re-entry Link, over two-thirds of the cost difference relates to health services.

For all programs, the value of annual population offsets is at least twice as large as the annual program cost, inclusive of the opportunity cost of capital, resulting in a significant potential net government cost savings from providing assistance.

Examination of client outcomes twelve months after beginning support shows a reduction in the use and associated cost of all justice services, but an increase in use of some health services, in particular, visits to hospital. This higher hospital cost is primarily driven by a small number of respondents with pre-existing mental and physical health conditions and may be due to increased access to hospital services, which the community would not wish to avoid. Such costs fall into a completely different category to health costs resulting from such things as domestic violence incidents leading to homelessness or health complications arising from poor nutrition or from living on the streets.

## **8.2 Implications for future research**

This research project's primary deliverable is a set of findings regarding the effectiveness and cost-effectiveness of Western Australian homelessness prevention and assistance programs. Because of the innovative nature of our study, we are also in a position to comment on the current state of research on homelessness and on the implications of our project for future research. Pinkney and Ewing's (2006) recent review of economic analyses of costs and pathways of homelessness points out that Australian research in this area is undeveloped and makes a number of suggestions for future research. They make specific recommendations about suitable target

populations, feasible approaches to producing cost estimates, and appropriate methodological frameworks. This study is the first major attempt to implement a cost-effectiveness study in the Australian homelessness field and so our experiences in this project can address and extend Pinkney and Ewing's recommendations.

Although Pinkney and Ewing's review was released after the commencement of our study, we nevertheless implemented many of the strategies they recommend. They strongly suggest that Australian cost-effectiveness research should use a pathways approach. We have implemented such an approach. They also recommend examining individual use of multiple services (e.g. hospitals, jails, primary health care, homelessness services) across a range of client populations and homelessness services within a single service region. We did both of these things. Pinkney and Ewing (2006: 122) argue that an advantage of studying a range of agencies delivering homelessness in a single region is that this provides a sounder basis for understanding what constitutes good or bad outcomes in a given region for a range of populations than comparing the outcomes of a single agency against national level data. For example, do stays of long duration represent good service or bad service in a given region? They conclude that regional level analysis is more important and 'provides a sound basis for comparison which may ultimately be more useful than national level data in exploring the implications for national policy development'.

Our experience suggests that it is feasible to gather information across the various components that make up a cost-effectiveness study and to do so for different types of homelessness programs. In particular, we have shown that it is viable to measure outcomes relative to needs for different types of clients in different program settings and to estimate the difference between the health and justice costs of homeless persons and the average Australian. The latter estimates were derived by multiplying the unit cost data we obtained from secondary sources by the service utilisation data we obtained from our client surveys.

Our experience in this project suggests that Pinkney and Ewing's review underestimates some of the challenges associated with utilising pathways-based research approaches to examine multiple service use among homeless persons. In particular, there are significant difficulties associated with maintaining adequate response rates in a longitudinal study that operates across multiple agencies. These difficulties are compounded when a deliberately non-interventionist contact and follow-through design is used as the present study did. A non-interventionist approach increases the likelihood of gaining a high initial Wave 1 response rate but is likely to result in low follow-up rates. Furthermore, we experienced a trade-off between obtaining precise estimates and generating a broad overview of outcomes in a particular service delivery region. In documenting these challenges and issues, we provide recommendations for future research in this area.

Longitudinal research with persons experiencing or at risk of homelessness is inherently difficult because this population is mobile. Some do not have long-standing contacts who can be relied upon to know the person's whereabouts following moves from one place to another. Moreover, those who are experiencing or at risk of homelessness may be reluctant to be tracked in longitudinal surveys because they are suspicious about how the information may be used. Despite these difficulties, a number of longitudinal studies have maintained relatively high follow-up rates with this population.

Due to a number of factors, our study had relatively low follow-up rates at the 3-month follow-up interview.

First, a significant proportion of clients agreed to undertake the survey but did not provide any follow-up contacts. In some cases, this was because they explicitly did not want to be re-contacted; however, we believe that in other cases interviewers may have not emphasised the importance of this to respondents. The lack of contact details meant that it was not possible to contact short-term crisis accommodation clients of SAAP programs at the 3-month point who had left support.

Second, the Project Advisory Group made a decision not to seek clients' consent to track them through Centrelink or other administrative sources due to anticipated difficulties in obtaining consent from Centrelink and other agencies, timing constraints, concerns that tracking would dissuade clients from participating in the survey, and privacy concerns. The decision increased the number of Wave 1 respondents, particularly in the case of single men, but it is almost certain that follow-up rates would have been higher if we had used tracking.

Third, clients were not 'pressured' to supply contact details. It was important to the Project Advisory Group that clients did not feel in any way pressured to be involved in the follow-up process. Researchers in many longitudinal projects seek to reduce sample attrition by emphasising to interviewees the importance of the longitudinal aspect of the project. In this project, agencies' concern not to pressure clients into providing contact details meant that many might not have been told that the longitudinal aspect was very important.

Fourth, the Murdoch University Ethics Committee did not allow us to pay clients to participate in the survey. This reduced their incentive to remain in the study after their first interview.

Fifth, due to the research design it was not possible to negotiate a small set of standard procedures that agencies were to follow when conducting exit interviews and three and 12 month follow-up interviews. As discussed in Chapter 2, 31 agencies were involved in the data collection. In many cases, agency staff conducted the interviews. This involvement of such a large number of agencies made it difficult to closely supervise the completion of the interview schedules and the collection of follow-up contact details. There was also a lack of adequate follow-through by the research team itself at various points. Furthermore, the differences in each agency's processes made it difficult to supervise how and when they completed the interview schedules. Each had different programs, average support periods, administrative procedures and privacy regulations. For example, a certain proportion of Re-entry Link clients would return to prison, and privacy regulations prevented the agencies from tracking what happened once they did so. The variety of administrative arrangements across agencies contributed to a lack of clearly defined and documented procedures for conducting follow-up interviews which, in turn, contributed to high rates of sample attrition.

Finally, the development of rapport between the interviewer and interviewee is an important technique for developing interviewees' ongoing commitment to a longitudinal study and therefore reducing sample attrition. In this study, clients did not have a single interviewer who would be responsible for conducting all their interviews. Once clients left a service, a member of the research team was responsible for completing any remaining follow-up interviews. Again, the techniques that helped us obtain high Wave 1 response rates posed a barrier to obtaining high follow-up rates.

Our experience also illustrates the trade-off between obtaining precise estimates and generating a broad overview of outcomes in a particular service delivery region. If the aim is to obtain precise estimates of the effectiveness of services, it is necessary to be able to control for differences in the populations of different service users and to have

high follow-up rates. A research project with this aim requires a relatively large sample of clients from each service. In a relatively small research project such as this one, it would only be feasible to obtain large samples from each service if a small number of services were included in the study. If, on the other hand, the aim is to obtain a broad overview of outcomes in a service area, then in a small project like the current one the sample sizes for each service will be relatively small. While the sample sizes in this project enable a reasonable estimate of overall outcomes, they are not sufficient to derive precise estimates that take into account diversity in client populations. In summary, in relatively small projects there is a definite trade-off between obtaining a broad overview of outcomes in a service area and obtaining detailed outcome data.

In terms of future research that attempts to track clients from multiple agencies, researchers need to be fully aware that this type of design is logistically very complex and is very costly in terms of the resources which research teams need to maintain sufficient contact with agencies. If the aim is to obtain high follow-up response rates and precise estimates, there are two possible avenues for future research. The first is to research a smaller sub-population such as women with children, or couples, and to involve a smaller number of agencies. The second is to have substantially more funding and longer timelines. Greater funding would enable more resources to be dedicated to upfront training of staff and closer monitoring of agency interviewers. Longer lead times would enable researchers to investigate and implement tracking arrangements with agencies such as Centrelink. If the aim is simply to provide an overview of outcomes in a broad service area, slightly higher project funding would enable more resources to be devoted to tracking clients.

Our findings also have implications for future research on the net cost of delivering homelessness programs. Pinkney and Ewing (2006: viii) emphasise the 'need for primary research in collaboration with service providers to develop more empirically grounded program costings'. They argue that developing meaningful unit cost data from the ground up requires researchers working in partnership with service providers 'who express a clear interest in participating' in such research (Pinkney and Ewing 2006: 187). This project utilised just such an approach. Our experience is that it would not have been possible to obtain meaningful cost data without using a partnership model. In particular, without a partnership approach and voluntary participation by the agencies, the service agencies would not have been willing to participate in the Agency Cost Survey. However, while Pinkney and Ewing suggest that participation of agencies in such research may result in agencies changing how they collect cost data in the future, our experience was that they did not make any such changes.

Another of Pinkney and Ewing's recommendations regarding the analysis of cost data is to separate the costs of support services (non-accommodation costs) from the costs of accommodation services. This enables researchers to examine the effectiveness of different combinations of service use, such as accommodation with not support service versus accommodation services with a support service. However, we found that differences in service delivery modes and different financial reporting practices between agencies meant that it was not possible to segregate non-accommodation related costs from accommodation costs, for three reasons. Firstly, we were not able to consistently disaggregate property costs that were related to support services and those that were related to accommodation services. While some agencies that provide accommodation in the form of units or houses do record property related and non-property related costs separately, agencies offering other types of accommodation do not. For example, in refuges and hostels, accommodation and office space are located within the same complex, therefore it is not possible to isolate the costs of accommodation infrastructure from the costs of service delivery infrastructure. Secondly, we could not consistently isolate wages dedicated to property management

from wages dedicated to support services, for example, it was not possible to consistently identify property manager wages. The inability to identify wages devoted to accommodation versus support services is significant because wages are the largest recurrent cost for services. Thirdly, we could not meaningfully apportion items such as rates and taxes, utilities and insurance. This problem is less significant because these only represent a small portion of the total cost. Our estimates are not sensitive to how these costs are apportioned.

As we suggested above, this project would not have been possible without a partnership model. There were three primary benefits of using this model rather than simply asking agencies to provide us with access to their clients. The first was that it allowed agencies to become familiar with, and involved in, the project design. This meant that they were more confident about participating in the Agency Cost Survey and in allowing their clients to participate in the client surveys. A second important benefit was the reciprocal relationship of teaching and learning between the research team and the agencies. Thirdly, the involvement of agencies benefited the project through a much higher Wave 1 sample, and a greater diversity in the survey sample, than would otherwise have been the case.

The partnership method we choose in this project was a Project Advisory Group, with membership drawn from relevant government departments and from all community-based service providers who were interested in being directly involved in the research project. We felt that this would be the most effective mechanism for the research team to learn from the agencies and to obtain their input into the research design, and for the agencies to learn about the preliminary research results.

One of the benefits that agencies obtained from participating in this project was that they learned a great deal about their clients' needs and outcomes, and cost offsets.

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