



Homelessness Australia

Creating a framework for ending homelessness

2008 – 2009 Federal Budget submission

Five proposals to achieve the Federal Government's commitment to halve turn-away rates from Supported Accommodation Assistance Program services

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About us

Homelessness Australia (HA) is the national peak body working to prevent and respond to homelessness. Our membership base includes homelessness assistance services, state homelessness peak organisations and the broader community. We work in partnership with Federal, State and Territory government agencies.

Our mission is to promote national policy and action to reduce homelessness and its impacts on the diverse range of people it affects through proactive research and advocacy.

Introduction

Homelessness Australia welcomes this opportunity to have input into the 2008 - 2009 Federal Budget process. HA has prepared a statement of policy recommendations, *The Way Forward*, which identifies 20 measures the Federal Government can implement to prevent and respond to homelessness. This document is attached.

In this submission, HA has highlighted five priority measures for funding in the next Budget. These measures will help to achieve the Federal Government's commitment to halve turn-away rates from Supported Accommodation Assistance Program (SAAP) agencies in the next five years.

Over the last five year period, turn-away rates have consistently been 50 per cent to 55 per cent for clients, ie adults and children not accompanied by a parent or guardian. Children accompanied by a parent or guardian are not recognised as SAAP clients, and turn-away rates for this group are even higher. Since data has been collected in 2002-2003, more than 3 in 5 accompanied children have been turned away from SAAP services each day.

HA strongly welcomes the additional funding for crisis accommodation properties announced during the election. However, by itself this will not be sufficient to halve turn-away rates from SAAP services.

SAAP accommodates just 15 per cent of the Australians who experience homelessness on any given night.¹ This indicates a significant level of unmet need. The low number of new requests for accommodation on a daily basis

¹ Chamberlain, C and Mackenzie, D 2003, *Counting the Homeless*, p.2

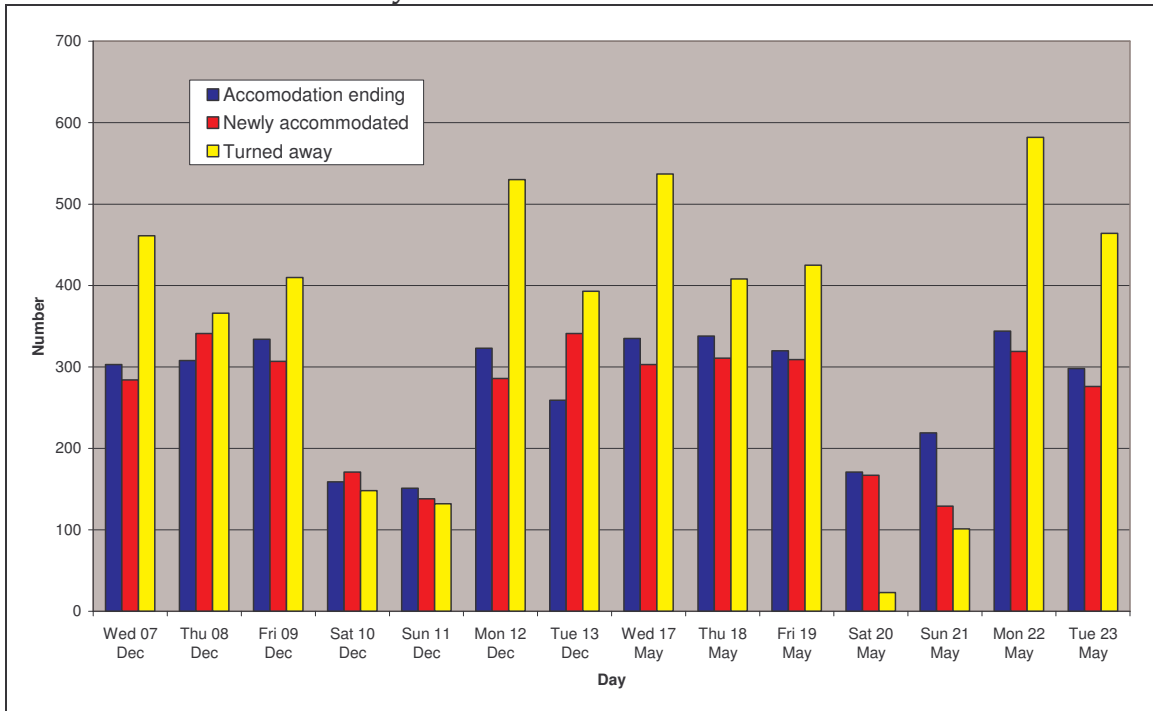
(around 620) suggests that people may not be approaching services because they are aware of the difficulty in gaining access.

Table 1 Turn away rates from SAAP services, 2001-02 to 2005-06²

	Clients	Accompanied children
2001-02	55%	N/A
2002-03	51%	62%
2003-04	52%	63%
2004-05	54%	60%
2005-06	54%	66%

An increase in total SAAP accommodation may mean that more people will try to obtain accommodation. This suggestion is supported by trends in the daily demand for accommodation. On days when a relatively higher number of people are leaving SAAP accommodation, demand increases. For example, the number of people entering and leaving accommodation is higher on weekends. Weekends are the only time when fewer people are turned away, than leave accommodation.

Figure 1: Daily demand for SAAP accommodation, 7-13 December 2005 and 17-23 May 2006³



² AIHW, *Demand for SAAP accommodation by homeless people*, various years

³ AIHW 2007, *Demand for SAAP accommodation by homeless people 2005-06*, p.66

It is therefore likely that an increase in funding for crisis accommodation will lead to a commensurate increase in demand, meaning that turn-away rates will remain static.

Homelessness Australia therefore recommends a package of measures that will achieve a sizeable reduction in turn-away rates.

Increases in funding for early intervention and prevention for people at risk of homelessness will reduce demand for SAAP services. The target groups of current early intervention/prevention programs make up a high proportion of those turned away from SAAP each day. HA proposes that:

1. HOME Advice is made available on a nationwide basis and
2. an increase in the capacity of Reconnect.

The total cost of these measures is estimated to be \$40 million per year for four years.

A sizeable reduction in the turn away rate is more likely to be sustained with a significant increase in funding for support for people when they are homeless, and more affordable housing options for people leaving SAAP. HA proposes:

3. a significant increase in base funding for SAAP and
4. additional funding for social housing.

The total cost of these measures is estimated to be \$450 million per year over four years.

These measures should also be supported by funding for longitudinal research. The findings of this research would inform policy development and reduce turn away rates by identify the supports necessary to leave homelessness. HA proposes:

5. a national longitudinal study of people leaving SAAP services

The total cost of this study is estimated to be \$2.5 million per year over four years.

These measures would all be implemented the Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) portfolio.

Detailed policy proposals

1. HOME Advice is made available on a nationwide basis

Cost: \$18.75 million per year over four years

The costing for this proposal is based on:

- an average allocation per site of \$325,000, based on the current Budgetary allocation of \$10.4m over four years,⁴
- an additional 42 sites to increase the total number of sites nationally to 50.

Household Organisational Management Expenses (HOME) Advice is an early intervention program for families at risk of homelessness.

HOME Advice helps families at risk of homeless to resolve their situation by taking an holistic approach. Support can involve financial counselling, support to families to negotiate with private landlords or real estate agents and referral to specialist services. Families in the current program often have issues other than their immediate housing and financial needs. Nearly two-thirds (61 per cent) of families have experienced family violence, 32 per cent have experienced mental illness and 24 per cent live with addictive behaviour.⁵

A 2007 evaluation found the program to be very effective. After participating in the program, 86 per cent of families remained in adequate housing or had improved their housing situation.⁶

National expansion of this program will significantly reduce the number of families that become homeless and then seek support from SAAP services. More than half (53 per cent) of all people who are turned away each day from SAAP services are individuals with children (see Table 2), most often single mothers. A further 10 per cent are couples with children.⁷ This demographic is reflected in the cohort supported by HOME Advice. Half of HOME Advice's clients are single mothers, generally with a least two children. Another three in ten (29 per cent) were couples with children.⁸

⁴ Mackenzie, D, Desmond, K, and Steen, A, *Household Organisational Management Expenses (HOME) Advice Program Evaluation Report 2007*, p.xiii

⁵ *ibid*, p.11

⁶ *ibid*, p.10

⁷ AIHW 2007a, on-line only, p.

⁸ Mackenzie et al 2007, p.9

2. Increase the capacity of Reconnect
Cost: \$21.25 million per year over four years

The costing for this proposal is based on a doubling of the current capacity of Reconnect. Reconnect was refunded by the previous Federal Government for the period 2007-08 to 2010-2011 at a total allocation of \$85m.⁹

Reconnect is the major Federal program for young people at risk of homelessness. The program works with young people to address family conflict and improve engagement with work, education and training.

The number of young people potentially eligible for the program is two to three times the number that are supported by the program at current funding levels. An estimated 15,000 or one per cent of Australia's school children are at risk at homelessness. Reconnect currently assists just 5,500 to 6,000 students a year.¹⁰

Additional funding for Reconnect would help to meet the commitment to halve turn-away rates. In 2005-06, approximately 30 per cent of people turned away from SAAP services were under 20 years of age.¹¹ When more of this cohort are able to access assistance before becoming homeless, this would reduce the total demand for SAAP services.

3. A significant increase in base funding for SAAP
Cost: \$137.5 million per year over four years

The cost for this proposal is based on a 40 per cent increase in base funding for SAAP. In 2005-2006, recurrent funding provided directly to agencies was \$333.4 million.¹²

Current funding for SAAP needs to be significantly increased. The last national evaluation of SAAP identified the need for funding to increase by 35 - 40 per cent over current funding program levels in order to address unmet demand and to more effectively support SAAP clients to achieve independent living.¹³ In contrast, base funding under the current agreement will increase by about two per cent a year.¹⁴

⁹ 2007-08 Budget paper no.2, p.192

¹⁰ Chamberlain and MacKenzie 2004, *Youth Homelessness: Four Policy Proposals*, AHURI Final Report no. 69, pp.42-43

¹¹ AIHW 2007b, Bulletin no. 50, p.4

¹² AIHW 2007c, *Homeless people in SAAP: SAAP National Data Collection Annual report 2005-06*, p.2

¹³ Erebus Consulting *National Evaluation of the Supported Accommodation Assistance Program (SAAP IV): Executive Summary*, p.9

¹⁴ *SAAP V Multilateral Agreement*, p.45

Additional funding would allow agencies to work more intensively with clients at an earlier stage of their experience of homelessness. This would reduce the extent to which people re-present to agencies seeking assistance. Nationally, 25 per cent of SAAP clients will have more than one period of support in a year.¹⁵

Presently, many clients do not develop a case management plan when entering SAAP. Some 29 per cent of clients do not enter into a case management plan, because their period of support is too short. The median length of support in SAAP in 2005-06 was six days.¹⁶

There are also a range of services which are neither provided nor referred in more than one in ten support periods where they are requested. Examples include drug and alcohol support (neither provided nor referred in 17 per cent of cases), employment and training assistance (14 per cent), and specialist counselling (14 per cent).¹⁷

Longitudinal research indicates that many people are unable to access SAAP services early in their period of experiencing homelessness. Additional funding for SAAP will enable more people to access support earlier in their period of support, enabling agencies to work with them before they developed issues such as drug and alcohol addiction and mental health problems.

A study of homeless services in inner city Melbourne found that 29 per cent of people who had been homeless for less than three months had accessed a SAAP service. This compared to 70 per cent of those who had been homeless for more than a year. The researchers noted that “although some people prefer to stay with friends when they first become homeless, it has to be recognised that there is an acute shortage of SAAP accommodation in the inner city and many people cannot access these services”.¹⁸

The same study also found that many issues, such as drug and alcohol addiction and mental health problems, were developed after the individuals became homeless. The study found that of those people with mental health problems, half of these developed their condition after becoming homeless. Similarly, two-thirds of those with drug and/or alcohol problems developed their condition after first becoming homeless.¹⁹

¹⁵ AIHW 2007c, p.16

¹⁶ *ibid*, pp.41, 79

¹⁷ *ibid*, p.60

¹⁸ Johnson et al 2007, Homelessness in Melbourne, p.26

¹⁹ *ibid*, p.6

4. Additional funding for social housing
Cost: \$312.5 million per year over 4 years

The cost for this proposal is based on the estimated cost of construction of an additional 5,000 social (public/community) housing properties over four years.

The unit cost per property is estimated at \$250,000 with State/Territory Governments to make land available for this proposal.

More affordable housing options will significantly assist in reducing turn-away rates. Currently, about half of all SAAP clients are homeless following their period of support.²⁰ These people are likely to remain homeless over the longer term, and to require SAAP support again.

Increased funding for public and community housing is one option to provide more affordable housing. HA welcomes the Government's inception of the National Rental Affordability Scheme (NRAS). However, the scheme in its current form is unlikely to significantly increase the number of people exiting SAAP into the private rental market. Approximately 150,000 people are eligible for assistance under the NRAS criteria each year²¹. Given NRAS is anticipated to deliver 10,000 new properties a year for five years²², it is difficult to envisage that the scheme will result in significantly greater access for people leaving SAAP services, unless the eligibility criteria is altered.

Therefore, Homelessness Australia believes that there needs to be a significant increase in public and community housing if there is to be a large increase in the proportion of people leaving SAAP accessing affordable housing.

In 2005-2006, there were approximately 36,000 support periods where a client sought help to obtain independent housing. Approximately one in five people in this group exited SAAP into public and community housing immediately.²³ More people eventually access public and community housing but only after waiting for access. Half of all "greatest need" households (including those who are homeless), wait longer than three months to enter a property. Almost one in six (15 per cent) will wait more than a year.²⁴

²⁰ AIHW 2007c, p.75

²¹ Based on analysis of Commonwealth Rent Assistance recipients. See Productivity Commission 2007, *Report on Government Services 2007*, p.16.64, 16.66, 16.68

²² Rudd, K, Plibersek, T and Swan, W 2007, 'Federal Labor's National Rental Affordability Scheme', Media Statement, 13 August

²³ AIHW 2007c, p.75

²⁴ AIHW 2006, *Public Rental Housing 2005-06: Commonwealth State Housing Agreement national data reports*, AIHW cat no HOU153, p.30

The construction of an additional 5,000 properties would ensure that a third of all people who need support to access independent accommodation will have a property immediately following their period of support.

5. Longitudinal research of people who have left SAAP services

Cost: \$2.5 million per year over four years

The costing for this proposal is based on the funding allocated to the Household, Income and Labor Dynamics of Australia (HILDA) survey.

To date, no national study has assessed the factors that enable people to leave homelessness. A major longitudinal study into this complex area would identify the kinds of services and enabling environments that allow people to make a successful transition out of homelessness. These are likely to be diverse, and apart from housing, may include drug and alcohol counselling, clinical mental health services and domestic violence counselling. Such a study would be multi-jurisdictional in nature, and encompass the diverse range of people that experience homelessness.

The results of this research would then inform policy development, and ultimately, reduce turn away rates by providing the necessary supports to enable people to leave homelessness.