



2 July 2008

Homelessness Green Paper Submissions  
PO Box 7442  
CANBERRA BC ACT 2610

To the Homelessness Green Paper Taskforce,

**Re: Submission from the Australian Institute of Health and Welfare in response to the Australian Government's Green Paper Which Way Home: A New Approach to Homelessness**

The Australian Institute of Health and Welfare has reviewed the Australian Government's Green Paper on Homelessness and welcomes this opportunity to provide a submission to the consultation process.

## **1 Supporting evidence-based policy formation**

The Australian Institute of Health and Welfare (AIHW) is Australia's national agency for health and welfare statistics and information.

The Supported Accommodation and Assistance Program (SAAP) National Data Collection Agency (NDCA) within the AIHW is the main source of annual data for reporting on progress of the SAAP program (the major Government response to homelessness). The data provide a rich evidence-base for analysis of program and policy issues around homelessness. The data collection covers several years from 1995 to 2007. The AIHW is aware of the current strengths and weaknesses in data on homelessness and SAAP and could usefully contribute to any review and enhancement of our knowledge about homelessness in Australia.

The AIHW also has extensive data on broader programs that impact, or may impact on the homeless population including Commonwealth State Housing Agreement (CSHA) programs (such as public housing, community housing, private rental assistance, crisis accommodation and State owned and managed Indigenous housing) as well as data relating to high needs populations such as those accessing disability, mental health, aged care, child protection and juvenile justice services.

### **1.1 Interpretation of AIHW data**

The purpose of the SAAP NDC is to support program managers, service providers, researchers and policy advisors with basic client and activity information. Use of the aggregate data on clients and service providers for more sophisticated purposes requires more sophisticated analysis. The AIHW provides the following comments on the Green Paper's use of data. Correction of some significant data issues is set out in Attachment 1.

- a) In general, the diversity of need and individual circumstances of the SAAP client population means that care is required in drawing general conclusions as to what constitutes positive and negative outcomes:

- i) There exists potential for value bias in reporting outcomes without knowledge of individual client circumstances (e.g., a move from public housing to private rental may be a bad outcome for one client but a good outcome for another);
  - ii) The use of aggregate level data to demonstrate broad outcomes for the program is questionable, as it does not take account of the above mentioned outcomes for individuals (e.g., one individual experiencing a positive outcomes moving from community to public housing would be cancelled out by another also experiencing a positive outcome but moving from public to community housing);
  - iii) With additional resources, more sophisticated analysis of client level data could be conducted to determine whether SAAP had succeeded or failed; and
  - iv) AIHW analysis of available SAAP data suggest that the SAAP program is in fact delivering positive outcomes for a substantial proportion of clients with basic, crisis support needs but is challenged to deliver good outcomes for some other clients, especially those with specialist needs (see Table 7.3 of the SAAP Annual Report 2005-06).
- b) The re-presentation (return) of 1 in 4 clients to SAAP services cannot necessarily be assumed to be a negative outcome without more details being presented or stated. For example, a return visit to a SAAP service by a woman experiencing domestic violence could be a positive outcome demonstrating that she now knows where to seek help and is confident/secure enough to ask for it. Also repeat presentations to a service may be a result of reporting practices in specific agencies (such as known instances where a new support period is created for a new mother returning from hospital with her baby).
- c) Exit to private rental accommodation is presented as a negative housing outcome for a SAAP client in the Green Paper (page 35) which contradicts the positive outcome attributed to this result in the Report on Government Services (See page 15.71 'Achievement of independent housing on exit' indicator presented in SCRGSP 2008 *Report on Government Services 2008*, Productivity Commission, Canberra).

Further discussion of evidence available to inform debate around the three options being presented in the Green Paper is provided at section 3.

## **1.2 Data/information that would further inform the discussion**

### *1.2.1 SAAP NDC data*

The Green Paper provides only limited coverage of the data relevant to the discussion. SAAP data on service providers and unmet demand provides a more complete picture of the SAAP program's performance and outcomes.

Information available at the service provider level about the ability of the agency to meet client needs suggests that most client needs are met (see Table 7.3 of the SAAP Annual Report 2005-06). These data further demonstrate that for crisis support services, SAAP generally performs well and that those services which are not well met are specialist, high cost services such as psychiatric services or specialist counselling services.

There are also data available in relation to unmet demand for SAAP accommodation services which could be used to illustrate some of the broader issues associated with difficulties exiting SAAP into stable and affordable long term housing (see discussion of Option 2 below).

The AIHW would be happy to provide additional references, sources and data analyses from the SAAP NDC to more comprehensively fill out the evidence base for development of the Government's White Paper.

### 1.2.2 *Information on current issues in the housing area affecting SAAP outcomes*

The following summarises key issues for the provision of stable long term non-SAAP accommodation to homeless persons. In particular:

- Social housing's ability to respond to the housing needs of homeless persons is currently limited due to a range of issues shown in Box 1.
- In the private rental market the demand for low cost rental accommodation is considerably greater than the current supply of such accommodation. This is outlined in Box 2.
- Affordability stress is likely to remain an issue for low income private renters for many years as indicated in Box 3.

**Box 1: Current issues affecting the capacity of social housing to respond to the housing needs of homeless persons**

1. The number of public housing dwellings is declining and growth in other social housing is not enough to offset this trend (Attachment 2 Table 1). This decline in public housing reflects a long-term trend, with numbers reducing from 365,000 in 1995 to 339,771 in 2007.

2. The number of new households assisted each year has declined in public housing and State Owned and Managed Indigenous Housing (SOMIH) sectors, while remaining relatively stable in the community housing sector in the last 5 years (Attachment 2 Table 2). For public housing, the reduced turnover of tenancies results from fewer opportunities for low-income households to move into other tenures, and greater longevity among older tenants.

3. Public housing occupancy rates are very high – 98% in 2007 – there are virtually no vacancies (Attachment 2 Table 3).

4. The number of applicants on the waiting list for public housing was 176,321 in 2007, 10,835 for SOMIH and 25,504 for community housing (Attachment 2 Table 4).

5. Public housing is currently operating at a loss - the average recurrent cost of providing public housing exceeds the average rent received (Attachment 2 Table 5).

**Box 2: Recent research suggests that there is little available low cost rental accommodation in the private rental market**

Research by Judith Yates, of the Australian Housing and Urban Research Institute (AHURI) Sydney Research Centre and Maryann Wulff and Margaret Reynolds from the AHURI Swinburne-Monash Research Centre, using 1996 and 2001 Census data examined changes in the supply of, and need for, low rent dwellings in the private market. It found that:

- In 2001, there was an overall shortage of affordable and available private rental housing suitable for low-income households in Australia equal to 134,000 dwellings. This was an improvement from 1996, when the shortage was put at 150,000.
- The supply of low to moderate rental dwellings declined between 1996 and 2001, despite growth of 7.6% in the number of private rental properties.
- Growth in supply of private rental dwellings has been focussed on the high end of the market.
- At the same time, people who could afford higher rents increasingly were occupying low rent dwellings. In 2001, only 39% of low rent dwellings were occupied by households with low incomes, compared to 42% in 1996.
- The lack of low rent housing is now especially acute in cities such as Sydney, Darwin, Canberra and Melbourne. For example, in Sydney, only 11% of all low-income private renters were accessing affordable (ie low rent) housing stock in 2001.

[www.ahuri.edu.au](http://www.ahuri.edu.au) **AHURI Research & Policy Bulletin: issue 50 February 2005.**

**Box 3: Affordability stress is likely to remain an issue particularly for low income private renters.**

The cost of housing remains a major burden for many households in Australia. The ratio of median house prices to median household income has more than doubled in the last 30 years. Currently housing supply is not meeting demand creating an annual shortfall - for 2007 the increase in the shortfall grew by about 30,000 dwellings (Braddick 2007).

Research from AHURI led by Professor Hal Kendig and A/Professor Judith Yates (AHURI Sydney Research Centre) on the sustainability of the Australian housing system estimates that:

- Over the 2006 to 2045 period, the proportion of households experiencing housing costs greater than 30 per cent of their income (in housing stress) is projected to increase marginally from 12 per cent to 14 per cent.
- By 2045, almost two-thirds of lower-income private renters are projected to be in housing stress (compared to just over half in 2006).

**Sources: AIHW 2008. *Housing assistance in Australia*. Canberra: AIHW.**

**AHURI Research & Policy Bulletin: issue 99 March 2008**

**Braddick P 2007. *Housing affordability*. Keynote speaker at the Melbourne Institute Public Economics Forum, Canberra.**

It is worth noting that analyses by AIHW in a forthcoming publication of new allocations in public housing indicates satisfactory outcomes for previously homeless persons. The data show that there is no significant difference in the proportion of homeless priority allocations

to public housing still housed in the same dwelling after two years compared with non-priority households allocated public housing.

## **2 Engaging with the options presented in the Green Paper**

In discussing the below options, evidence about supply and demand for services presented in part one of this paper will remain relevant in each of the three proposed options discussed below.

### **2.1 Option 1**

Option 1 focuses on distinct streams of support tailored to life events and circumstances. This could be seen as a return to the pre-SAAP era. SAAP was created in 1985, in part, as a national response to the failure of “mainstream services”.

### **2.2 Option 2**

Increasing the SAAP role as articulated in Option 2 anticipates an increase in the number of beds in SAAP as well as the amount of affordable accommodation (e.g., in social housing) and commensurate crisis and specialist support services.

- Evidence at the AIHW suggests that the current crisis response is not large enough to meet current immediate demand for crisis accommodation. Two separate points are relevant:
  - Analysis of length of stay data for people accommodated in SAAP indicates that many clients, but particularly families (e.g., single women and men with children, and couples with or without children), appear to stay in SAAP longer than the resolution of their crisis need (see Chapter 6 of the SAAP Annual Report 2005-06). The above mentioned shortages in affordable housing are almost certainly contributing to these long periods of crisis accommodation. The precise number of extra crisis beds required is related to the number of clients immediately ready to take up available affordable housing, but for whom affordable housing is not available.
  - If the supply of affordable housing remains the same then the AIHW estimates a minimum of 10,000 crisis beds would be required to fully meet the needs currently expressed (Parity, Green Paper edition).
- As well as homeless people turned away, some people are excluded altogether from SAAP, mostly people with very high and complex needs (Australia’s Welfare 2007). The most likely people to be excluded from receiving services are those for whom it will be most difficult to achieve outcomes, in particular clients with substance abuse issues, mental illness or a tendency towards violence (i.e. high and complex needs).

The SAAP data indicate that there is a shortfall in the more costly and specialised services to SAAP clients (Table 7.3 of the SAAP Annual Report 2005-06). There are research and data available to indicate that these services are important to the successful outcomes for clients with difficulties in the areas of employment, mental health, substance abuse and with other complex problems. Stage One of the Housing Assistance Support Initiative (HASI) in NSW is resourced to assist the housing and other needs of people with mental health problems and disorders requiring accommodation (disability). A two year longitudinal study of Stage One noted some “remarkable outcomes” in the areas of housing, community participation, physical and psychological health,

hospitalisation rates and family connectedness (Stage One Evaluation Report, Housing Accommodation Support Initiative).

- The SAAP data clearly show that increased length of support leads to better outcomes (see Tables 8.3, 8.7 and 8.8 of the SAAP Annual Report 2005-06). There are a high number of short support periods in SAAP (52% of all closed support periods lasted for 1 week or less).

Overall, the data indicate a substantial expressed unmet demand and possible unexpressed need for crisis accommodation, for specialist services required to support high and complex needs clients, and for affordable housing for clients leaving crisis accommodation.

### **2.3 Option 3**

Most of the points made in Option 2 above apply to Option 3. The data show that even if all current funding was retained in SAAP and its scope was restricted to crisis interventions then some unmet need would still exist.

It is also worth noting with respect to options 2 and 3 above that the average cost per client using 2005-06 SAAP funding data is \$2,164. In comparison, the cost of supplying supported accommodation alone in 2005-06 to people funded by the Commonwealth-State Disability Agreement is \$8,851 per client. The more expensive services, such as psychiatric and psychological services, specialist counselling and employment and training assistance is where the expressed unmet need in SAAP by SAAP clients (that is, people already supported by SAAP) is the greatest, and some of these clients are in crisis when requiring these services (Table 7.3 of the SAAP Annual Report).

## **3 Closing statements**

The AIHW would be pleased to be involved in the anticipated future development of necessary data and information management and measurement activities to support the new approach to homelessness. The AIHW brings a wealth of expertise in data analysis and modelling, statistical reporting, data development and methodologies to support outcomes and performance reporting (including data linkage and measurement tools). It is also well respected and has the confidence of the non-government sector through its record of independence and professionalism in protecting the privacy of people experiencing homelessness and their personal information.

The AIHW brings statistical expertise, information infrastructure expertise and a recognised honest broker role to the development of any future data and research arrangements.

Yours sincerely,

Dr Penny Allbon

Director, Australian Institute of Health and Welfare

## Attachment 1: References to AIHW data used in the Green paper on homelessness

Green paper reference	Comment	Note no.
The Green Paper states: "...nearly 2 per cent of Australian children under the age of five will sleep in crisis accommodation at some stage during any year"	The correct figure is <b>0.8%</b> .  Table 4.4 of the 2005-06 Annual Report reports 175 accompanying children per 10,000 population under the age of five, or 1.75% were supported by SAAP. This is not the same as the number <b>accommodated</b> in crisis accommodation. In fact, the majority (54%) of accompanying child support periods did not involve a period of accommodation.	16
The Green Paper states: "Data show that 65% of accompanying children aged under 12 years received counselling or support for sexual or physical abuse."	The correct figure is about <b>1.6%</b> for the 0-11 age group.  Table 7.2 of the 2005-06 Annual Report shows that approximately 1,100 of 39,500 accompanying child support periods ( <b>2.8%</b> ) <b>required</b> sexual/physical abuse counselling or support and Table 7.4 of the same publication reports that 65% of this need was either provided or provided and referred on by the agency.	29
The Green Paper states: "Most children who use these services have either witnessed or experienced family violence and sexual abuse. This increases their risk of developing mental health and behavioural problems."	This statement is not supported in the data.  Table 7.2 in the 2005-06 Annual report states that <b>2.8%</b> of all accompanying children accessing SAAP services require sexual/physical abuse counselling or support (also see above). <b>9.7%</b> require help with behavioural problems.  Table 5.5 reports that <b>54%</b> of female with children support periods (which comprise <b>22%</b> of all support periods) report domestic/family violence as their main reason for seeking assistance. From this, it could be stated that approximately <b>12%</b> of support periods include children who are likely to have been exposed to domestic/family violence.	28
The Green Paper states that "Children are not counted in SAAP data collection as clients..."	Unaccompanied children in SAAP are counted as clients, accompanying children are counted as accompanying children.	Under "Structure of the Supported Accommodation Assistance Program" (p32)
Green Paper Table 4 Housing Outcomes by Target Group (percentage)	This table includes information on both type of accommodation and type of tenure, which are separate questions and do not have mutually exclusive answers. However the table treats selected responses from both questions as mutually exclusive categories. It is therefore not clear how the percentages are calculated.  A more accurate source of information about housing outcomes is available in the 2005-06 Annual Report, Table 8.5 which includes housing outcomes for those SAAP clients identified as needing assistance to obtain/maintain independent housing.	Green Paper Table 4
The Green Paper states: "In 2005-06 17 per	It is not accurate, from source data to claim that	82

<p>cent of non-English speaking women born overseas returned to their partner after accessing SAAP assistance because of domestic and family violence.”</p>	<p>these women are escaping domestic violence since the data relates only to all clients (not specifically those escaping domestic violence).</p> <p>SAAP reporting currently does not map the before and after categories for individual clients and therefore, an alternate estimate of the number of non-English speaking women reporting domestic/family violence as their main reason for seeking assistance and whom subsequently returned to living with their spouse, is not available,</p>	
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A number other issues and concerns relating to the use and referencing of AIHW sources have been documented and provided separately to FaHCSIA. Unlike the errors documented in this attachment, they do not significantly effect the interpretation of the evidence presented in the Green Paper.

## Attachment 2: Social Housing data referred to in Box 1

**Table 1: Dwellings for the three Commonwealth State Housing Agreement social housing programs, 2003 to 2007**

	Public housing	SOMIH	Sub-total government owned stock	Community housing	Total
2003	348,012	12,563	360,575	29,367	389,942
2004	345,335	12,725	358,060	26,753	384,813
2005	343,301	12,860	356,161	29,279	385,440
2006	341,378	12,893	354,271	29,693	383,964
2007	339,771	13,098	352,869	34,672	387,541

*ADD footnotes from publications*

*Source: AIHW public, SOMIH and community housing data reports for 2002-03 to 2006-07*

Table 1 shows the total dwelling numbers for government owned housing have declined in the last 5 years by 7,706 dwellings with losses in public housing dwellings offset by smaller increases in SOMIH reflecting transfer of some stock from public housing to SOM IH in some jurisdictions. This decline in public housing reflects a long-term trend, with numbers reducing from 365,000 in 1995 to 339,771 in 2007. While there was an increase in the number of community housing dwellings it is difficult to examine this trend as data collection variations such as the use of survey data rather than administrative records occur in the annual collection cycle.

**Table 2: New households assisted for the three Commonwealth State Housing Agreement social housing programs, 2003 to 2006**

	Public housing	SOMIH	Community housing
2003	33,365	1,657	n.a.
2004	30,962	1,667	6,108
2005	27,776	1,497	8,793
2006	27,544	1,376	6,489
2007	26,824	1,468	8,741

*ADD footnotes from publications*

*Source: AIHW public, SOMIH and community housing data reports for 2002-03 to 2006-07*

**Table 3: CSHA public rental housing: P9 Occupancy rate, 2006–07**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
<b>At 30 June 2007</b>									
Total occupied dwellings	120,187	63,278	49,677	30,197	42,527	11,526	10,626	5,121	333,139
Total dwellings	121,872	64,849	50,137	31,290	43,818	11,673	10,780	5,352	339,771
<b>Occupancy rate (per cent)</b>	<b>98.6</b>	<b>97.6</b>	<b>99.1</b>	<b>96.5</b>	<b>97.1</b>	<b>98.7</b>	<b>98.6</b>	<b>95.7</b>	<b>98.0</b>

*ADD footnotes from publications*

*Source: AIHW public, SOMIH and community housing data reports for 2002-03 to 2006-07*

**Table 4: Applicants on waiting list for the three Commonwealth State Housing Agreement social housing programs, 2003 to 2006**

	Public housing	SOMIH	Community housing
<b>Applicants on wait list at 30 June</b>			
2003	208,056	10,503	33,325
2004	204,247	10,660	31,719
2005	203,905	11,174	37,384
2006	186,934	9,815	36,983
2007	176,321	10,835	25,504

*ADD footnotes from publications*

Source: AIHW public, SOMIH and community housing data reports for 2002-03 to 2006-07

The number of applicants on the waiting list for public housing was 176,321 in 2007, 10,835 for SOMIH and 25,504 for community housing. The number of applicants on the waiting list for public housing has declined, mainly due to more active management of the list, tightening of eligibility and processes to explore alternative housing options with potential applicants. The SOMIH waiting list has remained relatively stable, while the waiting list for community housing has grown as more households become aware of this housing option (Table 5.17). The extent of double-counting across these waiting lists is not known, but moves in a number of jurisdictions to combine their waiting lists across all three programs will alleviate this uncertainty.

**Table 5: Estimated average rent revenue/ rent charged and net recurrent cost per dwelling, 2006–07**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
P8 Average cost (\$) per dwelling	5,778	4,541	5,162	7,553	5,990	6,752	6,842	21,423	5,956
From P2: Average rent received(\$) per dwelling	4,940	4,828	5,029	4,333	4,581	4,326	6,305	4,875	4,851

Notes:

All P8 Direct costs indicator replaced in 2006–07 with 'Net recurrent cost per dwelling'.

DC1 Data may not be comparable with previous years as in 2006–07, DC1 was redefined to measure total net recurrent costs for year ending 30 June, rather than total direct costs.

DC1 Data are not calculated via the data repository but are supplied by jurisdictions.

DC1 Due to rounding, the national total may not equal the sum of jurisdictions' data items.

WA DC1, P8 Data should be interpreted with caution as they include the costs for dwellings leased to other organisations that are excluded from the total number of dwellings.

Source: AIHW public, SOMIH and community housing data reports for 2006-07