

MARKET SOUNDING:
PREVENTING OR
REDUCING
HOMELESSNESS
AMONG YOUNG PEOPLE

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*NSW Social
Impact
Investment Policy*



NSW
GOVERNMENT

Preventing or reducing homelessness among young people

The NSW Government is committed to reducing homelessness. Reducing homelessness, rough sleeping, and repeat homelessness requires housing assistance, as well as integrated and coordinated support including mental health, drug, alcohol, and domestic violence services.

Different cohorts experience homelessness. Social impact investment may be best used to prevent or intervene early in the lifecycle of difficult and costly problems. A cohort of young people provides the most scope for improvement and beneficial outcomes.

1. Outcomes sought

The ultimate outcome sought through a social impact investment mechanism in this area is the prevention or reduction of homelessness among young people.

Broader outcomes that may also be achieved for young people provided with a homelessness prevention or intervention service include:

- improved capacity to maintain stable housing
- improved mental health and life skills
- improved educational outcomes
- increased rates of employment
- reduced need for health services
- reduced contact with the justice system.

1.1 Outcome measures

To measure the extent to which the intervention achieves the ultimate outcome, the number of young people who receive the intervention and who access emergency accommodation or specialist homelessness services following the intervention could be identified using data collected by the Department of Family and Community Services.

The goal would be for none of the young people in the intervention group to be accessing these homelessness services. The number of young people who do access such services could be compared to a similar group who do not receive the intervention to identify whether the change in access, if any, is a result of the intervention. The measure might include the number of times young people access homelessness services and the duration for which the services are required.

Secondary outcome measures which could also be used, some relative to a comparison group, include:

- the proportion of participants engaged in employment or education programs
- the proportion of participants who present to emergency departments and the number of presentations
- the proportion of participants who have contact with the justice system (contact to be defined)
- improved mental wellbeing of participants measured with a developmentally appropriate standardised tool.

2. Potential Cohort

We recommend the intervention be focused on young people who are homeless or at imminent risk of homelessness.

This could include a focus on a sub-group of young people leaving statutory out-of-home care (OOHC) or other high risk groups.

Young people leaving OOHC can be easily identified as a cohort for intervention and one that has been the subject of research given their poor outcomes and the rate at which they become homeless. Australian research indicates that close to half of young adults exiting the OOHC system experienced periods of homelessness.¹ A 2009 study identified approximately 33 per cent of young people as homeless in their first year of leaving care².

3. Data

Accurate data on homelessness in NSW is difficult to obtain as it is not easy to count people who are sleeping rough or couch surfing. Nonetheless, ABS Census 2011 data indicate that on Census night 28,191 people were homeless in NSW. The rate of homelessness in NSW increased by 20.4 per cent from the homeless rate recorded in the 2006 Census.

Census data also show that children and young people aged between 12 and 24 years are overrepresented in the homeless population, accounting for 24.5 per cent of those experiencing homelessness, compared to 16.7 per cent of the general population in NSW. The following table illustrates the types of homelessness experienced by children and young people in NSW on the 2011 Census night.

¹ Osborn, A & Bromfield, L. (2007). *Young people leaving care* (Research Brief 7). Melbourne: Australian Institute of Family Studies cited in Crane, P, Kaur, J & Burton, J. (2013) *Homelessness and Leaving Care: The experience of young adults in Queensland and Victoria, and implications for practice*. School of Public health and Social Work, Queensland University of Technology

² McDowall, J. (2009). *Report Card 2009: Transitioning from Care: Tracking Progress*. Sydney: CREATE Foundation.

Table 1: Children and young people (aged 12-24 years) identified as homeless in NSW on 2011 Census night, by homelessness type

Homelessness type	Number of homeless persons 2011 – young people	Number of homeless persons 2011 – total	Proportion of homeless young people in each homeless type
Persons who are in improvised dwellings, tents or sleeping out	213	1,920	11.1%
Persons in supported accommodation for the homeless	1,411	4,926	28.6%
Persons staying temporarily with other households	911	4,933	18.5%
Persons staying in boarding houses	886	6,507	13.6%
Persons in other temporary lodging	36	246	14.6%
Persons living in 'severely' crowded dwellings	3,463	9,658	35.9%
All homeless persons	6,920	28,190	24.5%

Census data also indicate differences in the types of homelessness experienced by male and female children and young people. For under 25s, for example, there is a greater proportion of females in supported accommodation and a greater proportion of males in other categories, with the largest variation in 'other temporary lodgings'.

Data from specialist homelessness services show a more nuanced picture of the homelessness experience of young people aged 15 to 24 years. The table below identifies the number of 15 to 24 year olds who have presented alone to a specialist homeless service over a three year period. This represents the numbers of individual young people that have received a specialist homeless service or services over an annual period. This may include information and advice, case worker support, and/or accommodation.

Table 2: The number of young people (15-24 years) presenting alone to a specialist homelessness service in NSW from 2011 to 2013

Year	2011-12	2012-13	2013-14
Number of young people	12,463	12,157	12,169
Proportion of young people of all SHS clients in NSW	23.3%	23.4%	23.5%

From the information collected from specialist homelessness services, we also have information on the young client groups experiencing homelessness. The table below shows a number of areas where young people are overrepresented in the homelessness service system, such as young women (60.6%) and people who identified as Aboriginal or Torres Strait Islander (23.5%).

Table 3: Young people (15-24 years) presenting alone to specialist homelessness service in NSW by client group, 2012-13

Client group	Number of young people aged 15-24 years	Proportion of specified client group of total young people aged 15-24 years
Female	7,372	60.6%
Identified as Aboriginal or Torres Strait Islander	2,860	23.5%
Born overseas	1,007	8.3%
Identified as having mental health issues	2,008	16.5%
Identified as experiencing domestic or family violence	2,735	22.5%

Compared with the overall population who accessed specialist homelessness services in Australia in 2013-14, young people presenting alone were more likely to be identified as needing assistance with:

- living skills / personal development (35% compared with 21%)
- education (19% compared with 9%)
- employment (16% compared with 7%)
- training (13% compared with 5%).³

This correlates with qualitative evidence on the long term needs of young people who have experienced homelessness and the future costs to government. The evidence shows that young people experiencing homelessness are at a high risk of developing a range of negative health, social and economic outcomes, including:

- increased susceptibility to substance abuse and dependence⁴
- mental health issues⁵
- medical problems⁶
- violence and victimisation⁷
- the burden of harms linked to youth homelessness can cause significant cost to individuals, families and the community⁸
- homelessness in later life, and chronic and repeat periods of homelessness.⁹

³ Australian Institute of Health and Welfare (2014), *Specialist Homeless Services 2013-2014*, Australian Institute of Health and Welfare, Canberra.

⁴ Baer, J. S., Ginzler, J. A., Peterson, P. L., White, V. M., Hill, D. J., Effendi, Y., et al. (2003). DSM-IV alcohol and substance abuse and dependence in homeless youth. *Alcohol*, 64, 5-14.

⁵ Slesnick, N., & Prestopnik, J. (2005). Dual and Multiple Diagnosis Among Substance Using Runaway Youth. *The American Journal of Drug and Alcohol Abuse*, 31(1), 179-201.

⁶ Hudson, A. L., Nyamathi, A., Greengold, B., Slagle, A., Koniak-Griffin, D., Khalilifard, F., et al. (2010). Health Seeking Challenges Among Homeless Youth. *Nursing Research*, 59(3), 212.

Kelly, K., & Caputo, T. (2007). Health and street/homeless youth. *Journal of Health Psychology*, 12(5), 726.

⁷ Baron, S. W. (2003). Street youth violence and victimization. *Trauma, Violence, & Abuse*, 4(1), 22.

Baron, S. W. (2009). Street youths' violent responses to violent personal, vicarious, and anticipated strain. *Journal of Criminal Justice*, 37(5), 442-451.

⁸ National Youth Commission. (2008). *Australia's Homeless Youth: a report of the National Youth Inquiry into Youth Homelessness*. Melbourne: National Youth Commission.

These have cost impacts to government including more service utilisation across all sectors, including child protection, employment, health and mental health services. Other costs to the community include the opportunity cost of people not being engaged in the community, economic participation, social inclusion and positive family functioning.

An evaluation of the Michael Intensive Supported Housing Accord (MISHA)¹⁰ considered the direct economic benefits to government and wider society of the program. It recorded the health and justice costs of program participants at baseline and following participation in the program, and compared the costs of participants to the broader NSW population.

Table 4 shows the health and justice costs for program participants at baseline, and the NSW population, and gives the difference between these two values. This table shows the costs of health and justice services used by MISHA clients in the 12 months prior to baseline compared with the NSW population average. A comparatively large proportion of participants reported spending at least one night in hospital in the previous 12 months, but the very high average cost was driven by four participants (6.8%) who reported between 21 and 90 nights in hospital.

⁹ Chamberlain, C., & Johnson, G. (2011). Pathways into adult homelessness. *Journal of Sociology*.

¹⁰ Conroy, E, Bower, M., Flatau, P., Zaretzky, K., Eardly, T. & Burns, L. (2014), The MISHA Project: From Homeless to Sustained Housing 2012-2013. Mission Australia.

Table 4: Health and justice costs for MISHA program participants at baseline, and the NSW population

Cost per person – average (\$)			
Health	NSW Population	MISHA baseline	Difference
General practitioner	218	451	233
Medical specialist	93	399	306
Psychologist	15	280	265
Nurse or allied health professional	102	1,192	1,089
Casualty or emergency	90	132	43
Outpatient or day clinic	324	1,111	787
Ambulance	105	355	250
Nights in hospital	1,106	7,245	6,140
Nights in mental health facility	31	2,138	2,107
Nights in drug and alcohol centre	5	672	667
Subtotal	2,089	13,975	11,887
Justice			
As victim of assault/robbery	53	194	141
Stopped in street or visit from a justice officer	62	1,673	1,610
Stopped in a vehicle	62	8	-53
Apprehended	1	116	115
Held overnight	0	342	342
In court	75	319	243
Night in prison	173	1,043	870
Night in other detention	43	15	-28
Subtotal	469	3,710	3,241
Total health and justice costs	2,558	17,685	15,128

There are more specific cost savings data available for young people leaving OOHC. A study on OOHC leavers in Victoria estimated that this cohort costs state government approximately \$738,741 more over their lifetime than the average person who was not in OOHC.¹¹ This figure includes costs to the police and justice portfolio and the child protection and housing areas. It is considered by the researchers to be a conservative estimate.

¹¹ Forbes, C., Inder, B., and Raman, S. (2006), *Measuring the cost of leaving care in Victoria*. Monash University, Department of Econometrics and Business Statistics.

4. Principles for effective interventions

Young people who are homeless or at risk of homelessness have diverse experiences and needs. The proposed intervention should be designed to meet the development needs of young people to support their successful transition to independence, including an employment pathway and sustainable housing options.

While high risk young people will need higher levels of intervention, the evidence base for interventions addressing homelessness among young people indicates that the following principles should be included in any homelessness intervention proposed for this cohort:

- robust tools are used to assess the risk or level of need
- approaches for supporting young people are informed by a strong evidence base
- young people are empowered to plan for their future education, employment and housing options
- support is linked with appropriate housing options. Note, not all housing options are suitable for the needs of young people (i.e. large congregate or shared housing is generally not suitable for young people with higher levels of need).

The extent to which interventions encompass these principles will drive the risk/return profile for the investment. Interventions that deviate from these principles should have evidence to support the different approach or have factored this deviation into the financial model.

Interventions could include some or all of the following:

- trauma informed therapeutic care
- support to develop future plans, and access education, training and employment
- assistance with living skills and with relationship formation
- housing options (e.g. specific youth accommodation or private rental market subsidies)
- brokerage to obtain housing in the private market.

Any social impact investment mechanism that includes provision of housing should consider how the accommodation will be delivered and managed during the intervention period, including the type of housing, procurement (e.g. direct provision or through partnerships), rent setting and operational sustainability. The rent setting approach should be affordable and appropriate to the needs of young people and the operational costs of tenancy and property management should be factored in.