

Home at Last Economic Appraisal

Housing for the Aged Action Group Inc.

FINAL

19 November 2021



Release Notice applicable to Third Parties (i.e parties other than Housing for the Aged Action Group)

Ernst & Young was engaged on the instructions of Housing for the Aged Action Group to provide a cost benefit analysis of the Home at Last Service. This analysis has been conducted in accordance with the engagement agreement dated 14 July 2021.

The results of Ernst & Young's work, including the assumptions and qualifications made in preparing the report, are set out in this report dated 19 November 2021 ("the Report"). The Report should be read in its entirety, including the transmittal letter, the applicable scope of the work and any limitations. A reference to the Report includes any part of the Report. No further work has been undertaken by Ernst & Young following completion of the final issue of the report on 19 November 2021.

Ernst & Young has prepared the Report for Housing for the Aged Action Group and has considered the interests of the Project as they relate to the Proposal for its assessment purposes. Ernst & Young has not been engaged to act, and has not acted, as advisor to any other party. Accordingly, Ernst & Young makes no representations as to the appropriateness, accuracy or completeness of the Report for Third Parties' purposes.

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Fiona York
Executive Officer
Housing for the Aged Action Group Inc.
1st Floor, 247-251 Flinders Lane
Naarm, Melbourne, VIC 3000

19 November 2021

Dear Fiona,

EY has been engaged to support you in evaluating the 'Home At Last' ("HAL") housing information and support service (the "Service"), as set out in our Services Agreement dated 14 July 2021.

As part of this engagement, EY has produced an economic appraisal in the form of a Cost Benefit Analysis (CBA). The results of this analysis are presented in the Economic Appraisal Report (the "Report"), attached to this letter.

Purpose of the Report and restrictions on its use

The Report may only be relied upon by Housing for the Aged Action Group Inc. ("HAAG") pursuant to the terms referred to in the Contract. Any commercial decisions taken by HAAG are not within the scope of our duty of care and in making such decisions you should take into account the limitations of the scope of our work and other factors, commercial and otherwise, which you should be aware of from sources other than our work.

EY disclaims all liability to any party other than HAAG for all costs, loss, damage and liability that the third party may suffer or incur arising from or relating to or in any way connected with the provision of the deliverables to the third party without our prior written consent. If others choose to rely in any way on the Report they do so entirely at their own risk.

Our work commenced on 26 July 2021 and was completed on 12 November 2021. Therefore, the Report does not take account of events or circumstances arising after 12 November 2021 and we have no responsibility to update the Report for such events or circumstances.

In preparing this Report we have considered and relied upon information provided to us by HAAG. We do not imply, and it should not be constructed that we have verified any of the information provided to us. Additionally, modelling work performed as part of our scope inherently requires assumptions about future behaviour and market interactions. There will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those difference may be material. We take no responsibility that the project outcomes will be achieved, if any.

If you would like to clarify any aspect of this report or discuss other related matters, then please do not hesitate to contact me on 0449 526 976.

Yours faithfully,



Lars Rognlien

Associate Partner

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Home At Last Service - Cost Benefit Analysis Results

\$2.4m

By connecting older people with safe, stable, long term housing the Home at Last Service delivers \$2.4 million in **economic value** each year.

\$350k

Of which almost \$350,000 is from **improved wellbeing outcomes** such as improved feelings of safety and security and improved personal finances.

\$2.1m

A further \$2.1 million is in the form of **avoided societal costs** including: premature entry to aged care, crisis housing and health system costs.

\$1.4m

Comparing benefits to the HAL service costs of \$1.1 million each year leads to a **net-economic benefit** of \$1.4 million.

BCR 2.3

The Service has a **benefit cost ratio** of 2.3. This means that every dollar spent on the Home at last housing information and support service generates at least \$2.30 in societal value.

Source: EY analysis of the HAAG data and the HAL Service, based on documented data and assumptions

1. Background and introduction

1.1 Document purpose

EY was engaged by Housing for the Aged Action Group Inc. ("HAAG") to conduct an economic appraisal of the 'Home at Last' ("HAL") housing information and support service (the "Service"). The Service involves six core services, which assist older people at-risk of homelessness in navigating the housing system and accessing safe, affordable, and appropriate housing. The purpose of this Report is to document the findings and methodology of an economic appraisal undertaken for this Service.

1.2 Service background

HAAG is a specialist housing organisation for older people. Founded in 1983 as a grass-roots initiative, HAAG is committed to finding long-term solutions to the housing crisis facing older Australians through community activism, the provision of services and advocacy. Based in Victoria, HAAG is the only specialist service of its type in Australia.

HAAG's HAL service started in 2012 with the aim to provide a Victoria-wide central contact point for older people who are at-risk of homelessness. The Service assists older people who live in insecure, unsafe or inappropriate housing and provides early intervention strategies that encourage people to plan ahead for their housing options.

The Service is funded by the Victorian Department of Families, Fairness and Housing, Consumer Affairs Victoria, and the Assistance with Care and Housing sub-program of the Commonwealth Home Support Program (CHSP). It provides specialised housing services to people who are 50 years or older (45 years or older for Aboriginal and Torres Strait Islander clients) who:

- ▶ Have low income/assets or are experiencing financial disadvantage

- ▶ Are homeless or at-risk of homelessness (including older people currently in an unaffordable private rental)

Core elements of the Service include:

- ▶ **Community education** - targeted community education sessions run for both the general community and specific communities.
- ▶ **Intake assessment and warm referrals** - one-on-one appointment to discuss clients' unique circumstances and applicable options.
- ▶ **Housing options information and navigation** - information provided on all forms of available housing (including retirement housing) and assistance in navigating the system of housing options.
- ▶ **Housing support, relocation and linkages** - one-on-one support through the application process, attending offer interviews, brokerage services, and support during and post relocation - including assistance to physically move and set up a new home and information on other relevant social services and assistance programs.
- ▶ **Tenancy advice** - advice provided on a client's current tenancy situation and options.
- ▶ **Professional education and network development** - professional education sessions provided to service providers that interact with older people to inform them on the issues facing older people at risk of homelessness.

Collectively, these core services drive a number of blended outcomes that create both qualitative and quantitative benefits to individuals and society. HAL's service offering and outcomes are noted in more detail in Figure 3, but include services associated with navigating housing support options, relocation services, tenancy advice and well as community & professional education services. Combined these services enable HAL

clients to achieve safe, stable and suitable housing outcomes, including avoiding instances of homelessness.

1.3 Methodology overview

The economic appraisal follows a structured Cost Benefit Analysis (CBA) framework to estimate the economic costs and benefits of the Service.

A CBA is a net additional analysis that aims to capture the economic value (in terms of costs and benefits) of a project or program and assess it relative to a Base Case. The intent is to verify that the project case produces a net economic return over and above the Base Case, in Present Value (PV) terms.

EY's CBA methodology follows a principled economic approach that is consistent with the Victorian Government's "Guidance on undertaking economic assessment", as well as NSW CBA Guidelines.

The quantified economic performance of a project, investment or program is ultimately summarised through the NPV (Net Present Value) and BCR (Benefit Cost Ratio).

In the case of HAL, we have assessed the benefits and costs over a time horizon of a single year, thus the results are presented in terms of a 'net benefit' and a BCR.

1.4 Limitations

Please note that the analysis presented in this report is subject to the following limitations:

- ▶ **Agreed methodology** - the methodology adopted for this economic appraisal is based on several underlying assumptions agreed with HAAG and documented throughout this report.
- ▶ **Inputs provided by others** - no analysis was undertaken by EY to verify or critique any of the inputs into the analysis (i.e. service

receivers, costs and program outcomes) other than checking the relative magnitude of economic costs and benefits in the analysis. The results are based on inputs provided to EY by HAAG, with supplementary historical data and economic statistics sourced as needed.

- ▶ **Assumptions on future behaviours** - Analysis performed as part of our scope inherently requires assumptions about future behaviours and market interactions, which may result in forecasts that deviate from future conditions. There will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

These results are based on inputs that are correct as of November 12 2021.

1.5 Market failure

Economic principles dictate that government intervention is only required to correct for a market failure (that is, a problem that cannot be solved by market forces).

In the market for housing, a market failure occurs when market forces inefficiently allocate resources. There are a range of market failures associated with housing including, geographical and social immobility, housing inequality and in more extreme cases homelessness. The economic and social costs associated with each of these are externalities, and not fully corrected by market forces, thus Government intervention is required.

The HAL service and this report focus on people experiencing homeless, specifically for older people in Victoria.

1.6 Key inputs

The economic appraisal results are based on several key inputs provided by HAAG. In some cases, these inputs have been drawn from the combination of disparate datasets. The following inputs have been provided by HAAG:

- ▶ Number of HAL clients in 2019;
- ▶ The number of clients who enter HAL through a referral in 2019;
- ▶ The proportion of clients who enter the service as either at-risk of homelessness or homeless;
- ▶ The proportion of clients within these cohorts who are referred on to other services, have their goals achieved, or are housed by HAL;
- ▶ Operational costs in the base and project case in 2022 (FTEs, rental, expenses, and other costs);
- ▶ Operational costs in 2019 for comparison purposes.

2. Economic appraisal

2.1 Economic approach

The CBA for the Service is consistent with Victorian and national economic appraisal guidelines and aligns with the economic, social, and environmental objectives of the Victorian Government.^{1 2 3} The CBA assesses the impact of the Service on the economic welfare of citizens relative to the Base Case scenario. As with all such analyses, CBA is only one factor that is used to help in assessing value for money.

A CBA attempts to systematically analyse the financial, economic, environmental, and social costs and benefits that can be attributed to the Service by converting them into standard units of measurement (that is, dollar terms). CBA contributes to decision-making by weighing the cost and benefits to all stakeholders. A CBA can also be used as a performance benchmark that can be continually refined and updated as the program moves through the various stages of planning, delivery, and implementation.

In interpreting the CBA, it should be noted that many qualitative and strategic benefits are not fully captured or quantified. As a result, the CBA does not fully reflect all costs and benefits of the Service and should not be considered in isolation as a measure of the program's complete economic footprint. Rather, the CBA is one of many assessment tools available to decision-makers to help identify some of the sources of value created by the Service.

¹ Department of Economic Development, Jobs, Transport, and Resources, "Guidance on how to undertake an economic assessment", https://djpr.vic.gov.au/__data/assets/word_doc/0008/1492604/Guidance-on-how-to-undertake-economic-assessment-internet1.docx

² Department of Treasury and Finance, "Stage 1: Business Case" <https://www.dtf.vic.gov.au/investment-lifecycle-and-high-value-high-risk-guidelines/stage-1-business-case>

The metrics by which the Service is assessed are:

- ▶ **Net Benefit (NB)**, this is the Value of economic benefits delivered by the option less the Value of societal resource costs incurred.⁴
- ▶ **Benefit Cost Ratio (BCR)**, which is the ratio of the PV of economic benefits to PV of economic costs.

A positive NB and a BCR greater than 1 indicate that the program leads to a positive economic outcome over the appraisal period. However, a BCR lower than 1 does not necessarily mean a project should not go ahead or a program should cease, and likewise a BCR higher than 1 does not guarantee a net economic return. Consideration should be paid to potential costs and benefits that are not able to be captured, risks, as well as wider policy objectives.

2.2 Base Case

The Project Case presented below is assessed relative to a Base Case. For the purpose of the CBA, the Base Case for this analysis assumes that the HAL service does not exist.

Under the Base Case, older people who are at-risk of homelessness are not able to access the housing services provided under the HAL service. As such those presenting in both the at-risk and homeless cohorts either enter or stay in homelessness respectively. This is a high-level assumption based on limited evidence; however, a more conservative base case, in which some individuals are able to exit or avoid

³ Infrastructure Australia "Guide to economic appraisal" <https://www.infrastructureaustralia.gov.au/sites/default/files/2021-07/Assessment%20Framework%202021%20Guide%20to%20economic%20appraisal.pdf>

⁴ When considering projects, programs or investments over a 30-year time horizon, benefits and costs are discounted at 7% and presented in net present value terms

homelessness in the absence of HAL (i.e., through gaining employment), is explored through sensitivity analysis.

Further detail can be found in Section 4.4: Sensitivity Analysis.

2.3 Project Case

Under the Project Case, the HAL service continues to house and/or provide early intervention strategies for older people who live in insecure, unsafe or inappropriate housing, as well as community and professional education services.

Key assumptions for the project case include:

- ▶ All client cohort indicators, and rates have used 2019 as a proxy for a 'normal' year (given earlier years were not representative of full operation and later years impacted by COVID-19);
- ▶ The reach of HAL is reflective of 2022 staffing levels;
- ▶ There are no additional costs associated with provision of HAL services beyond those operational costs (2022 budget) provided to EY.

Table 1 below presents a summary of client outcome cohorts for a given year in the Project Case for the 2019 proxy year. Further detail on the allocation of headcount and splits can be found in 0.

Table 1: Overview of base and project case headcounts for a given year

At first presentation	At end of support
Homeless (310p)	No change (130p)
	Referred (128p)
	Stable housing (46p)
	Optimal housing (6p)
At-risk (691p)	Enter homelessness (291p)
	Referred (291p)

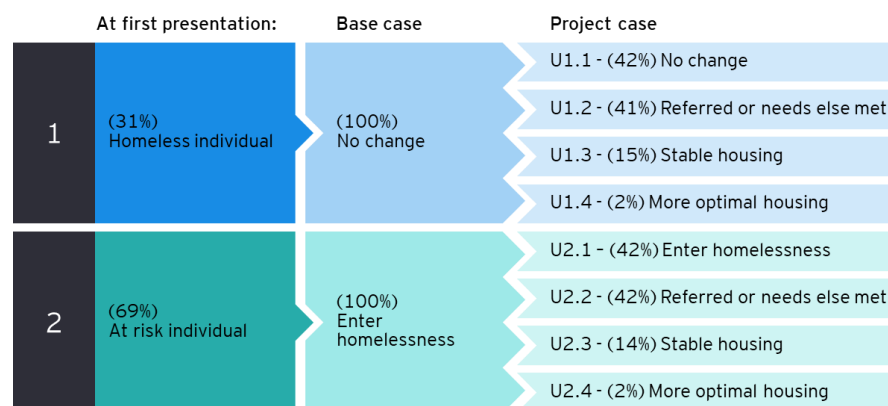
At first presentation	At end of support
	Stable housing (95p)
	Optimal housing (14p)

Source: EY analysis of HAAG data (2019 proxy year)

These figures are used to determine project case outcome ratios, which are presented in Figure 1.

In the base case it is assumed that all individuals presenting to HAAG are either already experiencing homeless or enter homelessness in the absence of HAL services, as in the base case it is assumed this cohort receive no housing assistance and are unable to sustain their existing housing situation.

Figure 1: Overview of base and project case cohort splits



Source: EY analysis of HAL data (2019 proxy year)

For simplicity throughout this document, we refer to each outcome by the following codes:

- ▶ U1.1 - People experiencing homelessness at presentation that remain homeless.

- ▶ U1.2 - People experiencing homelessness at presentation that are referred to an alternate service or who have case management goals achieved but are not homed.
- ▶ U1.3 - People experiencing homelessness at presentation who receive stable housing
- ▶ U1.4 - People experiencing homelessness at presentation who exit homelessness and achieve an optimal housing solution (i.e., avoid premature entry into aged care).
- ▶ U2.1 - People at risk of homelessness at presentation who enter homeless following presentation
- ▶ U2.2 - People at risk of homelessness at presentation who are referred to an alternate service or who have case management goals achieved but are not homed.
- ▶ U2.3 - People at risk of homelessness at presentation who receive stable housing.
- ▶ U1.3 - People at risk of homelessness at presentation who achieve a more optimal housing solution (i.e. avoid premature entry into aged care).

2.4 Home at Last service outcomes

The provision of specialised housing support services combined with wrap-around services by HAL has the potential to produce a range of positive outcomes for clients and society more broadly.

The potential outcomes of the Service have been assessed in terms of four outcome domains based on the Victorian Government's *Human Services Outcomes Framework* and the growing consensus in

international and national research on the key determinants of an individual's wellbeing⁵. The four domains are illustrated in Figure 2 below.

Figure 2: Victorian Government Human Services Outcomes Framework



Source: EY image of Victorian Framework⁶

This analysis is based on data provided by HAAG and desktop research, and focuses on the domains within the Human Services Outcomes Framework in which the Service is likely to make a significant contribution. They are:

- ▶ **Health & Wellbeing** - Improved physical and mental health and wellbeing - leading to reduced use of hospital emergency and in-patient services.

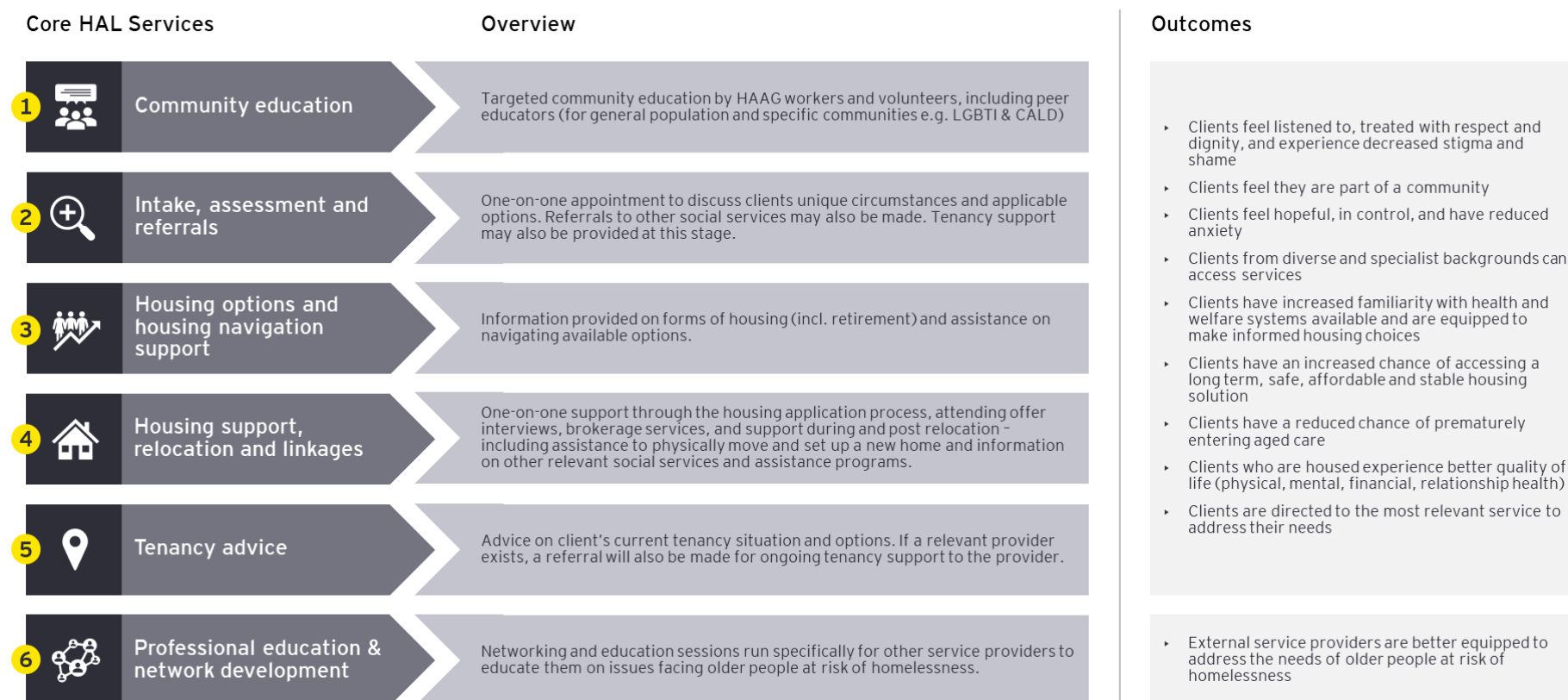
⁵ FACSAR (2017), *Applying the NSW Human Services Outcomes Framework in FACS: an overview*.

⁶ Department of Health and Human Services outcomes framework (dhhs.vic.gov.au)

- ▶ **Culture & Community** - Improved community participation and belonging - leading to reduced pressure on physical and mental health services.
- ▶ **Skills & Capabilities** - Greater independence, living skills and education attainment leading - leading to reduced pressure on social services, housing such as residential aged care and greater financial stability.

Key outcomes produced through the Service are presented in below in Figure 3.

Figure 3: Overview of HAL core services and outcomes (Source: EY analysis of HAL documents)



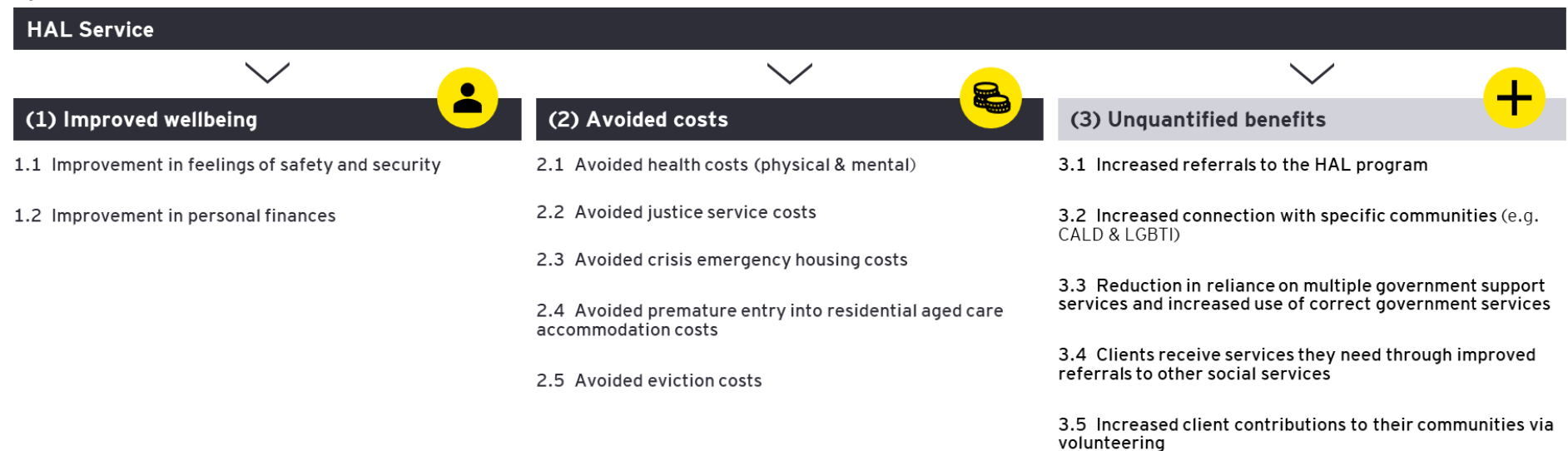
3. Overview of benefits

For simplicity, the economic benefits of the Service have been grouped into two key categories relating to how outcomes are realised: improved wellbeing benefits accruing to individuals and avoided costs realised by Government. There are also a number of benefits that are likely to exist but that have not been quantified in this analysis.

3.1 Benefit categories

The benefits are summarised in Figure 4 below and described in the following sections.

Figure 4: Benefits overview



Source: EY analysis of HAL data, ABS data, and homelessness literature

Note, as suggested, that benefits within the unquantified category are not monetised in the economic appraisal and are instead explored qualitatively in section 3.1.3. Approximate values of benefits are noted per person per annum. Further detail can be found in 0.

3.1.1 Improved wellbeing

The HAL service generates numerous improved outcomes for HAAG's clients. For the purposes of this analysis two critical benefits have been quantified.

- ▶ **1.1 Improvement in feelings of safety and security:** HAL helps older people who suffer from insecure, unsafe, or inappropriate housing. Its housing support, relocation and linkages, and tenancy advice services support clients to access more appropriate, stable, and fit-for-purpose housing. This ultimately provides a significant uplift in experiences of safety and security.
- ▶ The benefit to clients is estimated at \$959 per person, based on the value of feelings of safety and security from the 2017 Urbis report *Measuring the economic and social benefits of social housing*⁷; based on data from NRMA.
- ▶ **1.2 Improvement in personal finances:** In addition to early intervention strategies that encourage people to plan ahead for their housing options, HAL's housing and tenancy support services provide clients with greater financial literacy and stability.
- ▶ The benefit to clients is valued at \$1,500 per person, based on the value of improved personal finances from the 2017 Urbis report *Measuring the economic and social benefits of social housing*; based on data from MoneySmart.

3.1.2 Avoided costs

The HAL program generates numerous well documented economic cost savings for society - the associated literature is documented in more

detail in Section O: Avoided Costs, within O. Benefits quantified in this analysis include:

- ▶ **2.2 Avoided health costs (physical & mental):** Assistance to prevent a period of homelessness reduces interaction with more costly health services such as hospital stays, ICU presentations, psychiatric care, and mental health support. Overall, this generates whole-of-government budgetary savings⁸. By helping elderly homeless and at-risk clients to secure long term, suitable and stable housing, HAL enables these cost savings.
- ▶ This benefit is estimated at \$17,174 per person avoiding homelessness, based on the value of physical and mental health cost offsets from preventing homelessness from the 2013 AHURI Report *The cost of homelessness and the net benefit of homelessness programs: a national study*.
- ▶ **2.3 Avoided justice service costs:** Assistance to prevent a period of homelessness reduces interaction with justice services such as theft, apprehension, and police stopping, and generates whole-of-government budgetary savings⁸. HAL helps elderly homeless and at-risk clients to secure long term, suitable and stable housing, generating a cost offset.⁹
- ▶ This benefit is estimated at \$6,002 per person avoiding homelessness, based on the value of justice service cost offsets from preventing homelessness from the 2013 AHURI Report *The cost of homelessness and the net benefit of homelessness programs: a national study*

⁷ Urbis, "Measuring the economic and social benefits of social housing", https://www.nhc.edu.au/wp-content/uploads/2017/12/1201_0900_C2.06_NHA17_Panel_Nicki-Hutley.pdf

⁸ AHURI (2013), *The cost of homelessness and the net benefit of homelessness programs: a national study*

⁹ It is noted that compared to the average across all ages, the age cohort is likely to have fewer interactions with the Justice system. This is reflected in the analysis.

- ▶ **2.4 Avoided crisis emergency housing costs:** Reductions in the number of homeless and at-risk individuals reduces pressure on the provision of crisis emergency accommodation.
- ▶ This benefit to clients is estimated at \$5,000 per person avoiding homelessness based on the value of crisis emergency housing per person per annum to government from the 2017 SGS Economics Report *The case of investing in last resort housing*.
- ▶ **2.5 Avoided premature entry into residential aged care accommodation costs:** The correct allocation of housing support to individuals can reduce the use and associated government subsidies for residential aged care. HAL's education and housing support services can reduce premature entry into residential aged care for a portion of its eligible clients. These clients are otherwise entering residential aged care, not due to critical health or assistance needs, but due to a lack of available housing options.
- ▶ This benefit is estimated at \$21,203 per person avoiding homelessness based on the cost offset from avoiding residential aged care from EY data on aged care operational expenses less the average cost of 'home care packages' published by the Department of Health and less the average cost of affordable rent from the 2017 SGS Economics Report *The case of investing in last resort housing*.
- ▶ **2.6 Avoided eviction costs:** Assistance to prevent a period of homelessness reduces costs associated with housing evictions to government⁸. HAL helps elderly homeless and at-risk clients to secure long term, suitable and stable housing, generating a cost offset.
- ▶ This is estimated at \$95 per person avoiding eviction based on the cost offset of evictions by avoiding homelessness

from the 2013 AHURI Report *The cost of homelessness and the net benefit of homelessness programs: a national study*.

3.1.3 Unquantified benefits

Several potential service benefits have not been quantified in the economic appraisal, either because of insufficient or inconclusive evidence or because it can be very challenging to attribute monetary values to less tangible benefits. These benefits include:

- ▶ **3.1 Increased referrals to HAL:** HAL runs targeted professional education sessions for other homelessness service providers and services that interact with older people. These are designed to inform these service providers on the issues facing older people at-risk of homelessness and facilitate further referrals for clients into the HAL program. In 2019, 20% of HAL's clients who were homed entered through referrals from other services. This figure can in part be attributed to the professional education programs that HAL runs. A quantitative measure of this is not possible due to insufficient information on the conversion rate between education services and those entering through referrals.
- ▶ **3.2 Increased connection with specific communities (e.g. Culturally and Linguistically Diverse & LGBTI):** HAL is committed to supporting clients from vulnerable communities through programs delivered specifically for them (e.g. bi-lingual educators for CALD people). This supports clients to be connected to more relevant and impactful outcomes, but also enhances a sense of community connection through the process of receiving help.
- ▶ **3.3 Reduction in reliance on multiple government support services and increased use of correct government services:** HAL's early intervention approach supports clients to develop strategies that encourage planning ahead and increased financial security. This reduces reliance by clients on multiple government support services as they become increasingly independent.

Additionally, through education, clients are equipped to access more targeted services reducing social service waste and increasing the efficient use of government resources.

- ▶ **3.4 Clients receive services they need through improved referrals to other social services:** HAL provides an intake assessment and warm referrals program for all clients entering the service. This supports improved outcomes for those whose needs are unable to be met by HAL but can be serviced by another agency or body. These clients may not have otherwise received support.
- ▶ **3.5 Increased client contributions to their communities via volunteering:** HAL understands anecdotally from clients that once they receive stable housing they have a greatly increased chance of volunteering in their local communities. This is enhanced by the fact that older people on average are more likely to volunteer than other age groups. According to the 2016 census, around 668,000 Australians aged 65 and over (20%) volunteered their time, with the rate spent volunteering decreasing with age¹⁰.

3.2 Service costs

Costs are proxied from HAL service costs (based on the 2022 budget).

The total annual operating cost for HAL was about \$1.1m in 2021 prices.

Costs include staffing requirements in both the head office and regional office (75% of total), as well as operating costs such as rent, travel, equipment and professional/community education.

3.3 Benefits attribution and weighting

Benefits associated with HAL services will not be received equally by all cohorts (for example, those in the most challenging situations are likely to benefit more than others).

An overview of benefits attribution to each outcome cohort can be found in Figure 5 overleaf.

Detail on assumptions and the specific attribution of benefits can be found within O.

¹⁰ 2016, ABS, *Australian Census*

Figure 5: Overview of benefit attribution to client cohorts

				(1) +Wellbeing		(2) Avoided costs				
				(1.1) Safety & security	(1.2) Personal finances	(2.1) Health costs	(2.2) Justice costs	(2.3) Emergency housing	(2.4) Early aged care	(2.5) Eviction costs
At first presentation	Base case	% of cohort	% of total clients							
		At end of support	100% - (1001p)	\$959 p/a	\$1,500 p/a	\$17,174 p/a	\$6,002 p/a	\$5,000 p/a	\$21,203 p/a	\$95 p/a
1. Homeless (31% of total clients) (~305p)	No change (100%)	U1.1 (42%) No change	13% (130p)							
		*U1.2 (41%) Referred	13% (128p)							
		U1.3 (15%) Stable housing	5% (46p)							
		U1.4 (2%) Optimal housing	1% (6p)							
2. At risk (69% of total clients) (~679p)	Enter homelessness (100%)	U2.1 (42%) Enter homeless	29% (291p)							
		*U2.2a (42%) Referred	29% (291p)							
		U2.3a (14%) Stable housing	9% (95p)							
		U2.4a (2%) Optimal housing	1% (14p)							

Rates determined using HAL data and 2019 proxy year

No benefit
 Low (0-33%)
 Med (34-66%)
 High (66%+)

Source: EY analysis of HAL data, ABS data, and homelessness literature

4. Economic Appraisal Results

This section presents the overall results of the economic appraisal for the Project, as well as associated sensitivity and distributional analyses.

4.1 Results summary

Figure 5 presents quantified service benefits and costs, incremental to the Base Case identified in Section 2.2.

Overall, the Service delivers value for money with annual Net Benefits of \$1.3 million (in 2021 dollars) and a Benefit Cost Ratio of 2.3. Essentially this means that every dollar spent on HAL services generates at least \$2.3 of societal value.

Table 2: Economic appraisal results (\$2021 million per annum)

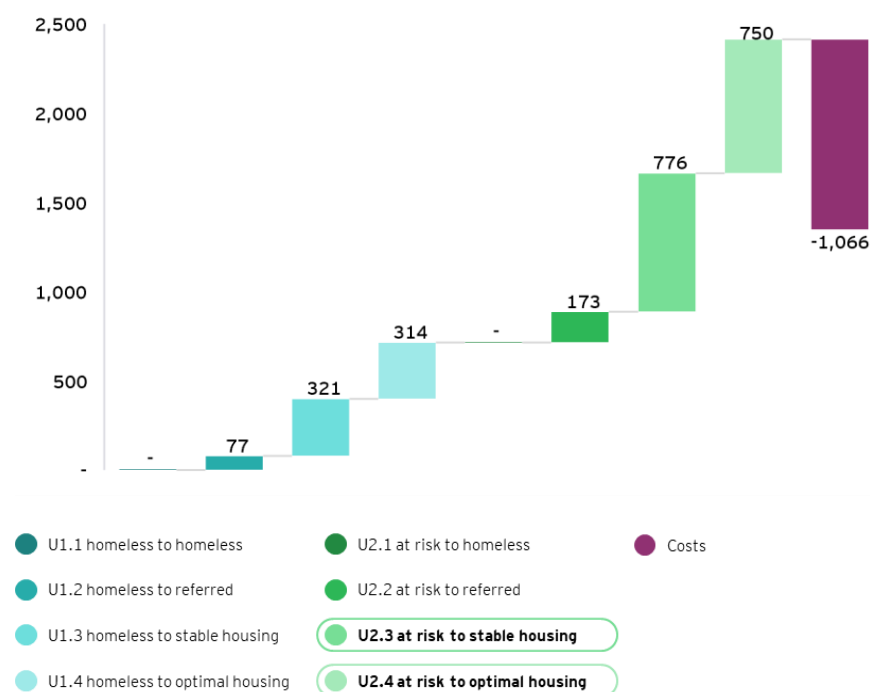
Economic Performance	HAL Service	
Core Benefits	(\$'000s)	
Improved wellbeing	347	
Safety and security	192	
Personal finances	155	
Avoided costs	2,065	
Health costs	632	
Justice costs	90	
Crisis housing costs	422	
Premature entry to aged care	907	
Eviction costs	14	
Project costs		
Opex costs	1,066	
Economic Performance	NB	BCR
Results	1,346	2.3

Source: EY analysis of HAAG inputs

4.2 Benefits by cohort

Assessment of benefits by cohort for a given year reveal cohorts 2.3 (at risk to stable housing), 2.4 (at-risk to optimal housing) as the client outcome cohorts realising the greatest share of benefits, highlighting the successful early intervention and preventative nature of the Service. Groups 1.3 (homeless to stable housing), and 1.4 (homeless to optimal housing) account for approximately half the benefit of those at risk (due to differences in cohort size). While these groups represent a relatively small proportion of total clients (16%) they naturally attract significant benefits due to the high personal and social cost associated with homelessness.

Figure 6: Benefits by cohort for a given year (\$'000s)

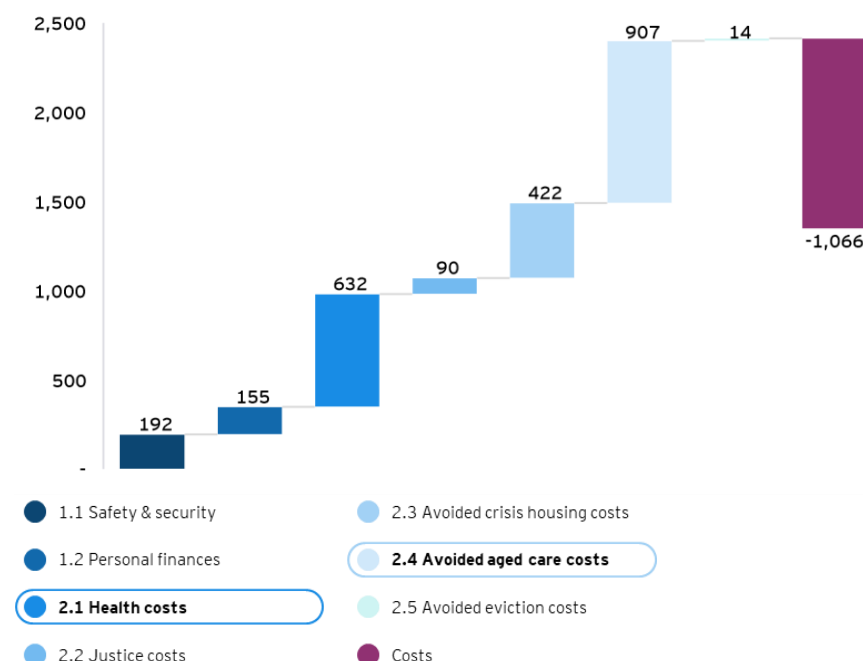


Source: EY analysis of HAAG inputs

4.3 Benefits by benefit type

Assessment of benefits by benefit type for a given year reveals that a significant portion of benefits (38%) are attributed to avoided premature entry into residential aged care, again highlighting the successful early intervention and preventative approach of the Service. Closely following this, avoided health costs account for 26% of benefits and avoided crisis emergency housing for 17%. Avoided justice costs and avoided eviction costs make up just 4% of total benefits.

Figure 7: Benefits by benefit type for a given year (\$'000s)



Source: EY analysis of HAAG inputs

4.4 Sensitivity analysis

To test the sensitivity of the CBA of the HAL service to key assumptions, two key sensitivity assessments have been performed. These sensitivities were agreed and tested with HAAG. In all cases the BCR remains above one, meaning HAL generates value in excess of its costs. These tests are outlined below:

1. **An adjustment to base case outcomes:** The base case assumes that the HAL service does not exist. In the core scenario all people presenting as homeless or at risk of homelessness stay homeless or enter-homelessness respectively. Two sensitivities have been performed that assume a portion of people in the base case (5% and 10%) do receive stable housing in the absence of HAL. This could be due to changing circumstances or the individual gaining employment.
 - ▶ If 5% receive stable housing in the base case: The BCR reduces from 2.3 to 1.9 and the net benefit reduces by 29% to \$956,000.
 - ▶ If 10% receive stable housing in the base case: The BCR reduces from 2.3 to 1.5 and the net benefit reduces by 58% to \$566,000.

This demonstrates that the CBA results are sensitive to this assumption, but that finding that the HAL services deliver value for money remains robust.

2. **An adjustment to the attribution of benefits:** This sensitivity reduces the value of a number of benefits by 20%, reflecting uncertainties in terms of the value, and attribution of benefits. In instances where 100% of an eligible cohort receives a benefit (refer to Figure 9 and Figure 10 in O), this sensitivity reduces this indicator to 80%.
 - ▶ This results in a reduction in BCR from 2.3 to 2.0 and a 17% reduction in the net benefit to \$1.1 million.

4.5 Distributional analysis

The benefits quantified as part of this CBA accrue to several different groups. Welfare economics typically defines these key groups as:

- ▶ **Consumers** - local residents and users of HAL services. Consumers in particular benefit from improved outcomes and individual wellbeing gains enabled by the HAL program. Category 1: Individual Wellbeing benefits in Figure 4 fall into this population set.
- ▶ **Producers (owners of land and capital)** - these are benefits accruing to firms and local businesses. No benefits accruing to this welfare group have been captured in the CBA, however benefits associated with increasing employment and economic participation (to the extent they exist for this cohort) would accrue to both producers and labour.
- ▶ **Labour** - these are benefits accruing to workers in the local area. No benefits accruing to this welfare group have been captured in the CBA, however benefits associated with increasing employment and economic participation (to the extent they exist for this cohort) would accrue to both producers and labour. Furthermore, the benefits associated with professional education (if quantified) could accrue to this group.
- ▶ **Government - Local, State or Federal Government** - benefits accruing to Government include any avoided costs associated with government services (i.e., the health and justice system). Category 2: Avoided Cost benefits in Figure 4 fall into this population set.

5. National Context

Across Australia, homelessness is becoming an increasingly prevalent issue for older people - driven by an ageing population, increasingly tight housing markets and a larger number of people reaching retirement without fully paying off their mortgages.¹¹ This results in a population of older people in Australia in a less tenable financial position upon reaching retirement. This is particularly true for older women in Australia, a cohort where the number of individuals presenting as homeless or at risk of homelessness has increased by 10.6% per annum on average over the five years between 2013-14 and 2017-18.¹² This section of the report explores these issues in more detail.

Between 2013-14 and 2017-18, there was an increase of roughly 6,800 older Australians presenting as homeless or at risk of homelessness.¹³ As shown in Figure 8 this increase is led largely by an increase in the number of women presenting. This is particularly true for those women presenting as “At risk”. This group accounts for over a third of the increase in the number of presentations of older Australians.¹⁴

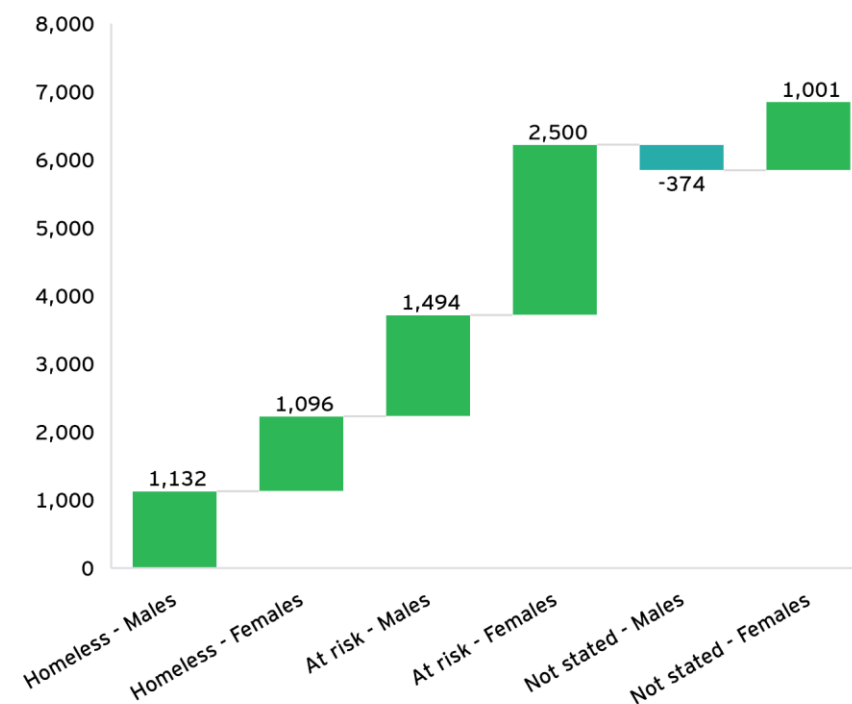
The main reason for presentation for older women remains the breakdown in interpersonal relationships or escaping domestic violence situations. For older men, the main reason for presentation tends to be either accommodation/ housing crisis or financial crisis.¹⁵

The Australian population above the age of 55 is expected to nearly double over the period from 2021 to 2066 accounting for over a third of the Australian population by the end of this period.

¹¹ Housing for the Aged Action Group “The older I get the scarier it becomes” 2017 <https://www.older tenants.org.au/sites/default/files/older-i-get-scarier-it-becomes-291117.pdf>

¹² Australian Institute of Health and Welfare “Older clients specialist homelessness services” database

Figure 8: Composition of the change in homelessness presentation between 2103-14 and 2017-18



Source: Australian Institute of Health and Welfare

This trend is set to arise across all states and territories and will occur against an expected backdrop of rising general demand for homelessness

¹³ Australian Institute of Health and Welfare, “Specialist Homelessness Services Annual Report - Unmet demand for specialist homelessness services”, December 2020,

¹⁴ Australian Institute of Health and Welfare, “Specialist Homelessness Services Annual Report - Unmet demand for specialist homelessness services”, December 2020,

¹⁵ Specialist Homelessness Services “Specialist Homelessness Services Monthly Reports - June 2021”

services across the states and territories.¹⁶ The recent increased pressure on the social housing system has seen an ever-growing number of these needs going unmet, resulting in some of the most vulnerable populations going without stable and secure long-term housing.¹⁷

A number of organisations have researched the emerging housing crisis facing older people. Analysis by HAAG and University of Adelaide ¹⁸ calls for a comprehensive housing strategy for older Australians built on an improved system for identifying older Australians at risk of homelessness and early intervention. The report finds that older people are more at risk of being missed in data capture exercises, suggesting that the level of homelessness in older Australians may be understated. Ensuring that these experiences are accurately captured forms the basis for a national policy to improve outcomes in one of the most vulnerable populations of Australians.

Australia is facing an ageing population that is increasingly unable to afford long term housing during their later years driven by rising house and rental prices in capital cities. This is expected to see increased pressure on the social housing system to deliver services to older Australians, who have specific requirements of their housing solutions. States and territories have taken a variety of policy approaches to address this increasing problem which have varied results for their populations. This includes the provision of accommodation and other support services targeted at older persons seeking these services. Community Housing Providers have, in some instances, prioritised low risk residents - a category that includes older Australians.

Should HAL expand into other states and territories, it is expected they would fulfil a complementary role to the existing services in those geographies rather than displacing them. This is expected to see

a net positive impact on the level of service provision and associated outcomes for older Australians.

¹⁶ Australian Institute of Health and Welfare, "Specialist Homelessness Services Annual Report", December 2020, <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/unmet-demand-for-specialist-homelessness-services>

¹⁷ Australian Institute of Health and Welfare, "Specialist Homelessness Services Annual Report - Unmet demand for specialist homelessness services", December 2020, <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/unmet-demand-for-specialist-homelessness-services>

¹⁸ Housing for the Aged Action Group, Publications <https://www.oldertenants.org.au/publications>

Appendix A Economic assumptions and inputs

This economic analysis is founded on a number of inputs and assumptions discussed throughout this document.

Headcount assumptions

All outcome rates rely on 2019 as a proxy year and are sourced from EY analysis of HAL data. The reach of HAL has been scaled up based on cost differences between 2019 and the 2022 budget. Detailed analysis of assumptions and headcount can be found in Table 3.

Table 3: Detailed headcount assumptions

Cohort	Headcount	% of cohort	Assumption
All	1001p	100%	2019 total client headcount increased to reflect expected client reach in 2022
U1 (presenting as homeless)	310p	100%	2019 total homeless headcount
U1.1	130p	42%	Difference of U1.2, U1.3, U1.4
U1.2	128p	41%	Number of homeless clients referred + number of homeless clients whose case management goals are achieved, less the number of homeless clients homed (U1.3).
U1.3	46p	15%	Number of homeless clients receiving stable housing less U1.4
U1.4	6p	2%	20% of the number of homeless clients receiving stable housing in the 66-85-year-old category and 5% in the 56-65-year-old category i.e. avoiding entry into premature residential aged care (a conservative estimate).
U2 (presenting as at-risk)	691p	100%	2019 total at-risk headcount
U2.1	291p	42%	Difference of U2.2, U2.3, U2.4
U2.2	291p	42%	Number of at-risk clients referred + number of at-risk clients whose case management goals are achieved, less the number of at-risk clients avoiding homelessness (U2.3).
U2.3	95p	14%	Number of at-risk clients avoiding homeless less U2.4
U2.4	14p	2%	20% of the number of at-risk clients receiving stable housing in the 66-85-year-old category and 5% in the 56-65-year-old category i.e. avoiding entry into premature residential aged care (a conservative estimate).

Source: EY analysis of HAAG data

Detailed benefit attribution

Detailed attribution of benefits to each client outcome group are noted in Figure 9 and Figure 10.

The table below describes how the benefit “factors” are calculated for each cohort group (namely: U1.1, U1.2, U1.3, U1.4, U2.1, U2.2, U2.3. & U1.4).

Indicator	Meaning	Source
A_{pc}	Share of cohort the benefit is relevant to	Assumption based on industry knowledge and discussion with HAAG
B_{pc}	Share of cohort likely to receive the benefit;	Estimated for referred category using HAL average outcomes. Assumption for all other cohorts
c_{pc}	Share of the benefit received	Assumption based on industry knowledge and discussion with HAAG
D_{PC}	Benefit factor per person in cohort group	Calculated as product of A_{pc} , B_{pc} & c_{pc}

Figure 9: Detailed benefits allocation by client cohort for benefit (wellbeing improvements)

				(1) Wellbeing							
				(1.1) Safety & security				(1.2) Personal finances			
		% of cohort	% of total clients	A_{pc}	B_{pc}	c_{pc}	D_{pc}	A_{pc}	B_{pc}	c_{pc}	D_{pc}
At first presentation	Base case	At end of support	100% - (1,001p)	\$959 p/a				\$1,500 p/a			
1. Homeless (31% of total clients) (~305p)	No change (100%)	U1.1 (42%) No change	13% (130p)	0%	0%	0%	0%	0%	0%	0%	0%
		*U1.2 (41%) Referred	13% (128p)	100%	16%	50%	8%	62%	16%	50%	5%
		U1.3 (15%) Stable housing	5% (46p)	100%	100%	100%	100%	62%	100%	100%	62%
		U1.4 (2%) Optimal housing	1% (6p)	100%	100%	100%	100%	62%	100%	100%	62%
2. At risk (69% of total clients) (~679p)	Enter homelessness (100%)	U2.1 (42%) Enter homeless	29% (291p)	0%	0%	0%	0%	0%	0%	0%	0%
		*U2.2a (42%) Referred	29% (291p)	100%	16%	50%	8%	46%	16%	50%	~4%
		U2.3a (14%) Stable housing	9% (95p)	100%	100%	100%	100%	46%	100%	100%	46%
		U2.4a (2%) Optimal housing	1% (14p)	100%	100%	100%	100%	46%	100%	100%	46%

Figure 10: Detailed benefits allocation by client cohort for benefit (avoided costs)

At first presentation	Base case	(2) Avoided costs																					
		% of cohort	% of total clients	(2.1) Health costs				(2.2) Justice costs				(2.3) Emergency housing				(2.4) Early aged care				(2.5) Eviction costs			
				A _{pc}	B _{pc}	C _{pc}	D _{pc}	A _{pc}	B _{pc}	C _{pc}	D _{pc}	A _{pc}	B _{pc}	C _{pc}	D _{pc}	A _{pc}	B _{pc}	C _{pc}	D _{pc}	A _{pc}	B _{pc}	C _{pc}	D _{pc}
		At end of support	100% - (1,001p)	\$17,174 p/a				\$6,002 p/a				\$5,000 p/a				\$48,541 p/a				\$95 p/a			
1. Homeless (31% of total clients) (~305p)	No change (100%)	U1.1 (42%) No change	13% (130p)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		*U1.2 (41%) Referred	13% (128p)	22%	16%	50%	2%	13%	16%	50%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		U1.3 (15%) Stable housing	5% (46p)	22%	100%	100%	22%	13%	100%	100%	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		U1.4 (2%) Optimal housing	1% (6p)	22%	100%	100%	22%	13%	100%	100%	13%	0%	0%	0%	0%	100%	100%	100%	100%	0%	0%	0%	0%
2. At risk (69% of total clients) (~679p)	Enter homelessness (100%)	U2.1 (42%) Enter homeless	29% (291p)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		*U2.2a (42%) Referred	29% (291p)	15%	16%	50%	1%	5%	16%	50%	~0%	62%	16%	50%	5%	0%	0%	0%	0%	100%	16%	50%	8%
		U2.3a (14%) Stable housing	9% (95p)	15%	100%	100%	15%	5%	100%	100%	5%	62%	100%	100%	62%	0%	0%	0%	0%	100%	100%	100%	100%
		U2.4a (2%) Optimal housing	1% (14p)	15%	100%	100%	15%	5%	100%	100%	5%	62%	100%	100%	62%	100%	100%	100%	100%	100%	100%	100%	100%

Improved wellbeing

1.1 Improvement in feelings of safety and security

Description

HAL helps for elderly people who suffer from insecure, unsafe, or inappropriate housing. Its housing support, relocation, linkages, and tenancy advice services support clients to access more appropriate, stable, and fit-for-purpose housing that provides a significant uplift in experiences of safety and security.

This benefit has been estimated using the following formula in each year:

$$\text{Improved safety \& security} = (CLI_{PCi} - CLI_{BC}) * BEN_{PC} * ATT_{PC}$$

Where:

- ▶ CLI_{PCi} is the number of clients achieving outcome in the Project Case for client outcome type i, where i = U1, U2, U3
- ▶ CLI_{BC} is the number of clients in the Base Case
- ▶ BEN_{BC} is the average benefit received per client per annum in the Project Case
- ▶ ATT_{PCi} is the attribution of benefit for each client outcome type i, where i = U1, U2, U3

Assumption	Value	Source
CLI_{PC}	Table 3	EY analysis of HAL data
CLI_{BC}	Figure 1	EY analysis of HAL data
BEN_{bc}	\$959	Estimate cost of security system ¹⁹ escalated to 2021 dollars
ATT_{pci}	Figure 5	EY analysis of HAL data, ABS data, and homelessness literature

1.2 Improvement in personal finances

Description

In addition to early intervention strategies that encourage people to plan ahead for their housing options, HALs housing and tenancy support services provide clients with greater financial literacy and stability.

This benefit has been estimated using the following formula in each year:

$$\text{Improved personal finances} = (CLI_{PCi} - CLI_{BC}) * BEN_{pc} * ATT_{pc}$$

Where:

- ▶ CLI_{PCi} is the number of clients achieving outcome in the project case for client outcome type i, where i = U1, U2, U3
- ▶ CLI_{BC} is the number of clients in the base case
- ▶ BEN_{bc} is the average benefit received per client per annum in the project case
- ▶ ATT_{PCi} is the attribution of benefit for each client outcome type i, where i = U1, U2, U3

Assumption	Value	Source
CLI_{PC}	Table 3	EY analysis of HAL data
CLI_{BC}	Figure 1	EY analysis of HAL data
BEN_{bbc}	\$1,500	Estimate cost of seeking financial advice ¹⁹ escalated to 2021 dollars
ATT_{PCi}	Figure 5	EY analysis of HAL data, ABS data, and homelessness literature. In particular, attribution based on the rate of "financial difficulty" cited by HAL clients across homeless and at-risk cohorts in 2019, 62% and 46% respectively)

¹⁹ Urbis (2017), *Measuring the economic and social benefits of social housing*

Avoided costs

2.1 Avoided health costs

Description

Assistance to prevent a period of homelessness reduces interaction with health services such as hospital stays, ICU presentations, psychiatric care, and mental health support, and generates whole-of-government budgetary savings²⁰. HAL helps elderly homeless and at-risk clients to secure long term, suitable and stable housing, generating a cost offset.

This benefit has been estimated using the following formula in each year:

$$\text{Avoided health costs} = (CLI_{PCi} - CLI_{BC}) * BEN_{PC} * ATT_{PC}$$

Where:

- ▶ CLI_{PCi} is the number of clients achieving outcome in the project case for client outcome type i, where i = U1, U2, U3
- ▶ CLI_{BC} is the number of clients in the base case
- ▶ BEN_{BC} is the average benefit received per client per annum in the project case
- ▶ ATT_{PCi} is the attribution of benefit for each client outcome type i, where i = U1, U2, U3

Assumption	Value	Source
CLI_{PC}	Table 3	EY analysis of HAL data
CLI_{BC}	Figure 1	EY analysis of HAL data
BEN_{BC}	\$17,174	Estimate cost of physical and mental health costs offsets ²⁰ escalated to 2021 dollars
ATT_{PCi}	Figure 5	EY analysis of HAL data, ABS data, and homelessness literature. In particular, attribution based on combined rate of hospitalisation, medical issues, and mental health

²⁰ AHURI (2013), *The cost of homelessness and the net benefit of homelessness programs: a national study*

Assumption	Value	Source
		in 2019 across HAL's homeless and at-risk cohorts, 22% and 15% respectively)

2.2 Avoided justice service costs

Description

Assistance to prevent a period of homelessness reduces interaction with justice services such as theft, apprehension, and police stopping, and generates whole-of-government budgetary savings²⁰. HAL helps elderly homeless and at-risk clients to secure long term, suitable and stable housing, generating a cost offset.

This benefit has been estimated using the following formula in each year:

$$\text{Avoided justice costs} = (CLI_{PCi} - CLI_{BC}) * BEN_{PC} * ATT_{PC}$$

Where:

- ▶ CLI_{PCi} is the number of clients achieving outcome in the project case for client outcome type i, where i = U1, U2, U3
- ▶ CLI_{BC} is the number of clients in the base case
- ▶ BEN_{BC} is the average benefit received per client per annum in the project case
- ▶ ATT_{PCi} is the attribution of benefit for each client outcome type i, where i = U1, U2, U3

Assumption	Value	Source
CLI_{PC}	Table 3	EY analysis of HAL data
CLI_{BC}	Figure 1	EY analysis of HAL data
BEN_{BC}	\$6,200	Estimate cost of justice service costs offsets ²⁰ escalated to 2021 dollars

Assumption	Value	Source
ATT_{Pci}	Figure 5	EY analysis of HAL data, ABS data, and homelessness literature. In particular, attribution based on "poor mental health" rate cited by HAL clients in 2019 across homeless and at-risk cohorts, 13% and 5% respectively)

2.3 Avoided crisis emergency housing costs

Description

Reductions in the number of homeless and at-risk individuals reduces pressure on the provision of temporary crisis emergency housing.

This benefit has been estimated using the following formula in each year:

$$\text{Avoided crisis housing costs} = (CLI_{Pci} - CLI_{BC}) * BEN_{PC} * ATT_{PC}$$

Where:

- ▶ CLI_{Pci} is the number of clients achieving outcome in the project case for client outcome type i, where i = U1, U2, U3
- ▶ CLI_{BC} is the number of clients in the base case
- ▶ BEN_{BC} is the average benefit received per client per annum in the project case
- ▶ ATT_{Pci} is the attribution of benefit for each client outcome type i, where i = U1, U2, U3

Assumption	Value	Source
CLI_{PC}	Table 3	EY analysis of HAL data
CLI_{BC}	Figure 1	EY analysis of HAL data
BEN_{BC}	\$5,000	Estimate cost of emergency housing per year per person to government ²¹ escalated to 2021 dollars
ATT_{Pci}	Figure 5	EY analysis of HAL data, ABS data, and homelessness literature. In particular, attribution based on average

²¹ SGS Economics (2017), *The case of investing in last resort housing*

Assumption	Value	Source
		2011-2020 rate of aged at-risk individuals attaining crisis emergency housing in Victoria (62%) ²²

2.4 Avoided premature entry into residential aged care

Description

The correct allocation of housing support to individuals can reduce the use and associated government subsidies for residential aged care. HAL's education and housing support services can reduce premature entry into residential aged care for a portion of its eligible clients.

This benefit has been estimated using the following formula in each year:

$$\text{Avoided residential aged care costs} = (CLI_{Pci} - CLI_{BC}) * BEN_{PC} * ATT_{PC}$$

Where:

- ▶ CLI_{Pci} is the number of clients achieving outcome in the project case for client outcome type i, where i = U1, U2, U3
- ▶ CLI_{BC} is the number of clients in the base case
- ▶ BEN_{BC} is the average benefit received per client per annum in the project case
- ▶ ATT_{Pci} is the attribution of benefit for each client outcome type i, where i = U1, U2, U3

Assumption	Value	Source
CLI_{PC}	Table 3	EY analysis of HAL data
CLI_{BC}	Figure 1	EY analysis of HAL data

²² AIHW (2011-2020), *SHSC Data Cubes 2011-12 to 2019-20*

Assumption	Value	Source
BEN_{BC}	\$48,541	Estimate cost of residential housing per year per person ²³ , less affordable rent per year per person ²¹ , less the average cost of home care packages (L1-4) per person per year ²⁴ escalated to 2021 dollars
ATT_{Pci}	Figure 5	EY analysis of HAL data, ABS data, and homelessness literature. Attribution assumes 100% allocation to optimal housing cohort

Assumption	Value	Source
CLI_{BC}	Figure 1	EY analysis of HAL data
BEN_{BC}	\$21,203	Estimate cost of eviction costs offsets ²⁰ escalated to 2021 dollars
ATT_{Pci}	Figure 5	EY analysis of HAL data, ABS data, and homelessness literature. Attribution assumes 100% allocation to at-risk individuals avoiding homelessness

2.5 Avoided eviction costs

Description

Assistance to prevent a period of homelessness reduces costs associated with housing evictions to government²⁰. HAL helps elderly homeless and at-risk clients to secure long term, suitable and stable housing, generating a cost offset.

This benefit has been estimated using the following formula in each year:

$$\text{Avoided eviction costs} = (CLI_{Pci} - CLI_{BC}) * BEN_{PC} * ATT_{PC}$$

Where:

- ▶ CLI_{Pci} is the number of clients achieving outcome in the project case for client outcome type i, where i = U1, U2, U3
- ▶ CLI_{BC} is the number of clients in the base case
- ▶ BEN_{BC} is the average benefit received per client per annum in the project case
- ▶ ATT_{Pci} is the attribution of benefit for each client outcome type i, where i = U1, U2, U3

Assumption	Value	Source
CLI_{PC}	Table 3	EY analysis of HAL data

²³ EY (2020), *Internal Victorian industry average residential aged care costs*

²⁴ Department of Health (2021), *Schedule of fees & charges for Residential and Home Care*

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