

Lifecourse institutional costs of homelessness for vulnerable groups: *Executive Summary*

Authors:

Professor Eileen Baldry, Dr Leanne Dowse,
Ruth McCausland and Melissa Clarence
School of Social Sciences
University of New South Wales

Contact:

Professor Eileen Baldry
School of Social Sciences
Morven Brown G46
University of New South Wales
Sydney NSW 2052
Ph: 02 9385 1878
Fax: 02 9662 8991
Email: e.baldry@unsw.edu.au

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LIFECOURSE INSTITUTIONAL COSTS OF HOMELESSNESS FOR VULNERABLE GROUPS

Executive Summary:

There is a dearth of empirical research in Australia examining the lifecourse institutional costs associated with vulnerable people who are homeless. Evidence has been mounting that vulnerable groups, in particular persons with mental health disorders and cognitive disability (MHDCD) who experience clusters of disadvantageous circumstances, are over-represented amongst those coming to the attention of police and being serially arrested and incarcerated. People in these groups are more likely to use alcohol and other drugs and be homeless or marginally housed. Persons in this group are often caught in a vicious criminal justice cycle (Baldry et al 2006) with the costs to the person and the community estimated to be very high (Burt 2003; Edwards et al 2009; Flatau et al 2008; Gulcur et al 2003; Mental Health Coordinating Council 2008). But there has been little empirical pathway costing done.

The study presented here has developed pathway costings using the Mental Health and Cognitive Disability in the Criminal Justice System (MHDCD) Dataset that contains data on lifelong interventions and interactions with all criminal justice and some human services agencies that are available for a cohort of 2,731 people who have been in prison in NSW and whose MHDCD diagnoses are known. This study's purpose is to contribute to understanding the real costs associated with this group's homelessness and criminal justice involvement and to alternative policy and program responses. Merging data across criminal justice sub-systems and with relevant human services is a useful way to provide a broad, dynamic understanding of the trans-criminal justice and human service involvement of persons with complex needs.

This study takes an empirical approach to calculating the economic costs of the pathways of eleven individuals who have cycled in and out of homelessness, using the MHDCD Dataset containing their interactions with housing, health, community services and criminal justice agencies.¹ This institutional contact was costed by working with the relevant criminal justice and human service agencies to develop methods of measurement to ascertain unit costs. The cost of each unit of intervention or service recorded in our data - for example, being taken into custody by Police or being given rent assistance by Housing - was calculated across agency and by age, and total costs compiled. Lifecourse institutional costs for the 11 case studies, currently aged between 23 and 55, range from around \$900,000 to \$5.5 million.

The economic costs to government are significant, as are the social and human costs. Whilst each individual story reflects the impacts of particular conditions and experiences, together the case studies highlight the breadth

¹ It was intended that payments from Centrelink and SAAP services would also be estimated and accounted for in order to gain the most accurate and comprehensive economic costs, however this was not possible.

and depth of social need and disadvantage experienced by these individuals, as well as the complex and compounding interactions between them. In almost every case discussed, significant disadvantage, vulnerability and risk factors are obvious from early adolescence and, for several individuals from childhood, yet care and protection and early intervention do not occur in any substantial or sustained way. The evidence is stark that this early lack of adequate services is associated with costly criminal justice, health and homelessness interactions and interventions later in their lives. Millions of dollars in crisis and criminal justice interventions continue to be spent on these vulnerable individuals whose needs would have been better addressed in early support or currently in a health, rehabilitation or community space. It is obvious that access to integrated and responsive support services including drug and alcohol support, mental health and disability services or other psycho-social forms of support is needed. The provision of secure housing and support for an individual to maintain a tenancy appears a key factor in higher criminal justice and emergency services costs. Early and well-timed interventions to establish and maintain secure housing and associated support services could significantly reduce the need for the future years of criminal justice interventions.

This study, while focused on the economic costs across the lifecourse associated with vulnerable people who are homeless, does not capture all possible costs to government or to society more generally. There are other elements to the costs of homelessness which the information contained in the MHDCD Dataset could contribute to in future research studies, such as the costs to the individuals, their families and the broader community, the costs of crime, opportunity costs, and cost-benefit research.

The policy implications of this study are:

- The atomised and singular manner in which homeless persons with complex compounded needs are addressed by most agencies is extremely costly and counterproductive.
- Early holistic support is crucial for disadvantaged children with cognitive disabilities and/or mental health disorders who are homeless or in unstable housing.
- Provision of skilled disability supported accommodation and education early in life would save significant spending on homelessness and criminal justice interventions later in life.
- System incentives to cost-shift should be eliminated.
- There is evidence of avoidance of working with complex and poorly housed children and adults by human service agencies resulting in criminal justice services, particularly Police, being used as frontline child protection, housing, mental and cognitive disability services. A significant change in the way government human service agencies approach this small but extremely costly group of persons is required. The evidence from this project suggests that robust, holistic, cross portfolio support and intervention responses fit for purpose (eg appropriate and adequate disability support with housing) are needed.