



Under oneRoof

The Social and Economic Impact of Youth Foyers

The case for scaling Foyer – an integrated approach that unlocks thriving futures for young people who experience homelessness

Youth Foyers
beyond homelessness

foyerfoundation

accenture



Acknowledgement of Country

We acknowledge the Traditional Owners of the land on which we work and recognise their continued custodianship and connection to the land, waters and community. We pay our respects to them and their Elders past and present.

Acknowledgements

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About the Foyer Foundation

The Foyer Foundation is an independent national charity that enables young people experiencing or at risk of homelessness to take charge of their futures. Youth Foyers create a pathway to independence, offering a safe and stable home for 16-24 year olds for up to two years with integrated learning and work supports. The Foyer Foundation plays an intermediary role, connecting a national network of Youth Foyers, service providers, philanthropists, policymakers and young people to grow the impact and reach of Youth Foyers in Australia. The Foundation builds the national evidence base, promotes integrity in the Foyer approach through an accreditation process, and enables continuous innovation to meet the changing needs of young people across Australia.

www.foyer.org.au

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Executive summary

Foyers break cycles of disadvantage to unlock thriving futures for young people by offering integrated education, employment and accommodation supports

44,000 young people have presented alone to specialist homelessness services (SHS) per year since 2011. The current service landscape prioritises short-term and crisis housing. While this provides crucial support for people with complex needs, there is a need for more medium to long-term housing with integrated employment and education support.

Without integrated support that helps young people transition to independence and thriving futures, there is a high cost to both the economy and the individuals concerned. Youth homelessness increases the likelihood of a lifetime of adverse outcomes, decreasing the ability to sustain education or employment, which causes cycles of disadvantage and flow-on intergenerational effects.

The lifetime cost to government of supporting a person that has accessed SHS is estimated at \$386,000. Forty eight per cent of this cost is incurred by the Australian Government and 52 per cent by state and territory governments, and is made up of welfare costs net taxes (30 per cent), housing (30 per cent), health care costs (25 per cent) and justice costs (15 per cent).

Foyers are a place-based, integrated solution providing education, employment and accommodation for young people, typically aged 16 – 24 years, who are at risk of or experiencing homelessness for up to two years. From this stable base, Foyers can intervene in disadvantage in other areas of these young people's lives.

Upon entry to Foyers, young people sign up to "The Deal", in which they agree to participate fully in the Foyer service offerings. This includes education, work, social activities and developing life skills and independence. In return, Foyers invest in young people by offering accommodation, supports and opportunities to pursue their goals. Young people need and deserve this comprehensive support, which values agency and recognises there are structural barriers beyond their control that deny a decent livelihood.

Sustained support at this point in a person's life can guide them through the transition from school to decent work and economic security. It breaks the pattern of disadvantage, helping them overcome the structural barriers that make it hard to get back on track once the young person is placed in the cycle of homelessness and disadvantage. An experience of homelessness is a fork in the road, and if we intervene, we can set young people on the path to a future they want.

On a per person basis, Foyers create an average of \$84,000 in benefits for the Australian Government across taxation uplifts, welfare, housing and federal health savings. Foyers also create \$89,000 in benefits for state governments through the avoided social housing, state health and justice costs.¹

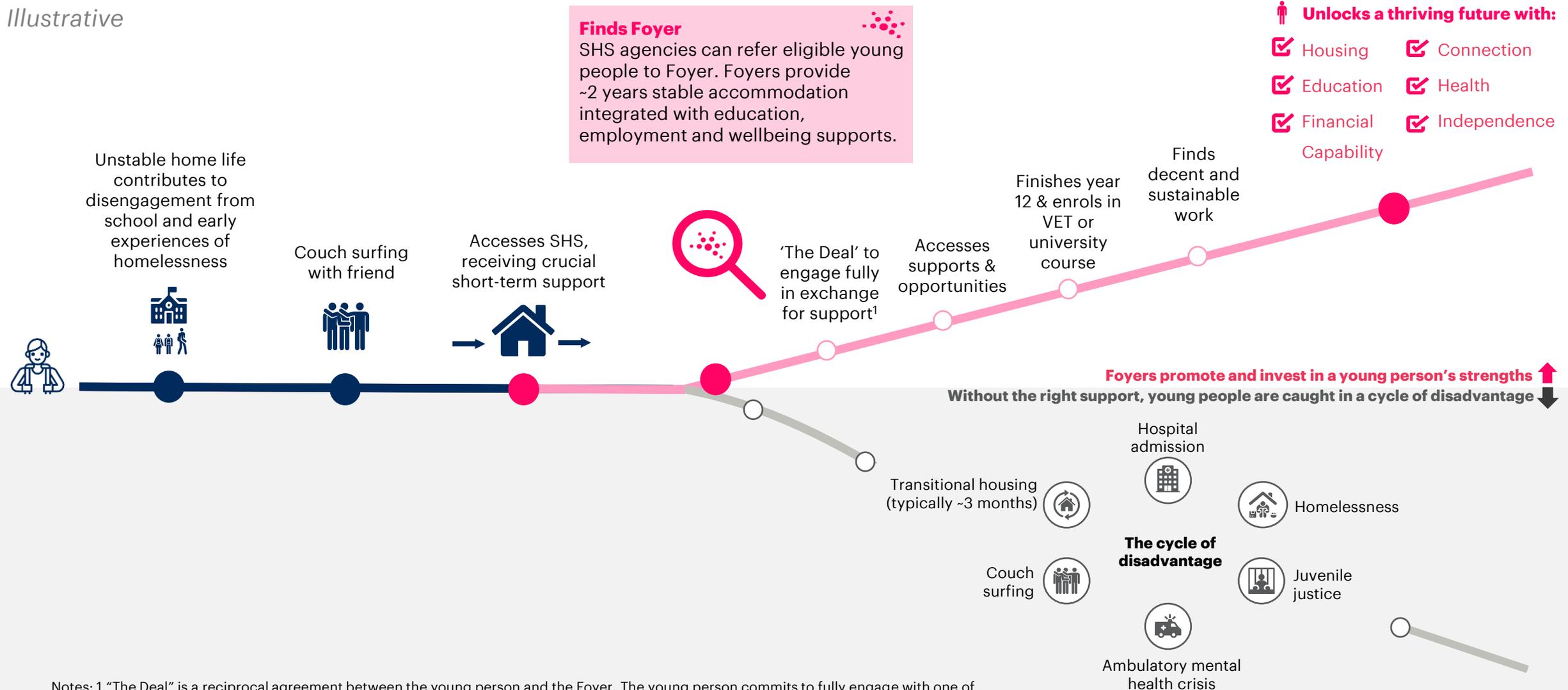
This means for every additional \$1 spent on Foyers, Foyers generate an additional \$6 in value for governments. By scaling Foyers from 11 to 50 sites by 2030, there's the opportunity to affect the lives of 1,300 extra young people each year from 2030. This would unlock \$2.9bn in extra net lifetime benefits for the by 2040.

Given government priorities on housing, full employment, health and disability, as well as the broader societal and economic benefits of the model, there is an important opportunity for stakeholders to come together to fund this scale-up, including through innovative approaches. With the Foyer accreditation process ensuring fidelity to the model, Foyers present an opportunity to combine place-based innovation and context with principles-led approaches. We hope you'll join us on our mission to transform the futures of young people who experience homelessness across Australia.

Liz Cameron-Smith
CEO, Foyer Foundation

The integrated Foyer approach breaks the cycle of disadvantage for young people, supporting them to achieve positive, thriving futures

Illustrative



Notes: 1. "The Deal" is a reciprocal agreement between the young person and the Foyer. The young person commits to fully engage with one of the service offerings, such as education or employment, throughout their stay. The Foyer invests in the young person and their goals in return.
Sources: Foyer Foundation (2021) [Foyer Snapshot](#); [Foyer Annual Report 2021](#); Taylor Fry (2021) [Pathways to Homelessness](#), Accenture analysis.

Foyer breaks the cycle of disadvantage and unlocks thriving futures

The current cost of youth homelessness

 **\$386K**

The lifetime cost to government of a young person in current SHS system

 **44K**

The number of people presenting alone to SHS in a year

The benefits of Foyers



\$172K

The lifetime cost savings to government of each person in Foyer



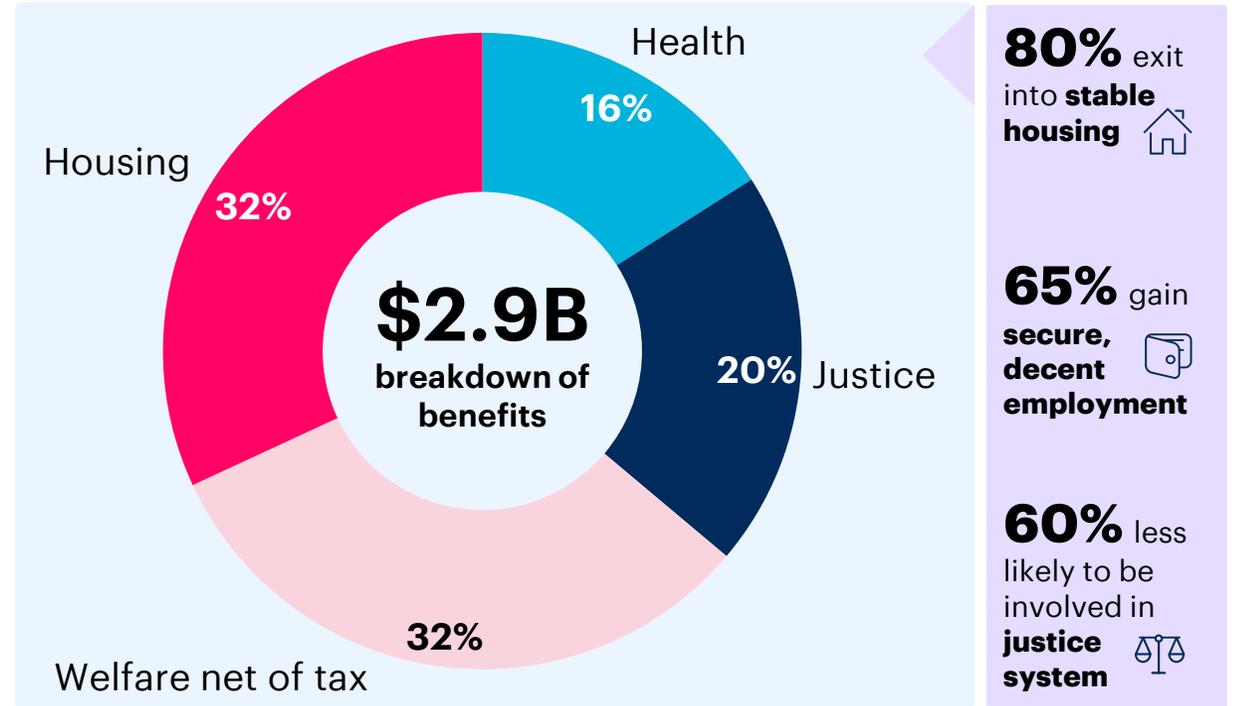
6 to 1

Every \$1 invested in Foyers returns \$6 in value to governments¹



52% State 48% Fed

The share of benefits across state and federal levels of government



The potential of scaling up from 11 to 50 Foyers by 2030



\$408M

Required in operational funding to scale up Foyers over 2022-2040²



19,262

Extra young people supported by Foyer by 2040



\$2.9B

Extra benefits to government by 2040

Notes: 1. This is incremental to SHS i.e. for every extra \$1 that Foyers require in operational funding compared to SHS, they return \$6 in cost savings to governments. 2. This is the per person operating costs of Foyer (net of SHS costs) multiplied by the number of extra people supported over 2022-2040 during scale-up to 50 Foyers. Sources: Foyer Foundation (2021) [Foyer Snapshot](#); Accenture analysis.

2 The cost of youth homelessness

44,000 young people experience homelessness each year, at a cost of \$386,000 to government over their lifetimes



44,000 young people present to specialist homelessness services (SHS) each year

Almost 44,000 young people in Australia present by themselves each year to specialist homelessness services (SHS) – which provide housing and a range of support services.¹ Many present after experiencing family violence, housing crises or relationship and family breakdown. For these young people, SHS are a crucial lifeline.

Young females, First Nations young people, out-of-home care (OOHC) leavers and those with mental health or drug and alcohol issues are over-represented in the number of those who present to SHS. Of the 7,800 out-of-home-care leavers aged 15-17 in 2020-21,² one in three will experience homelessness within a year³ and 68 per cent will access SHS within four years.⁴

Sixty per cent of young people presenting alone are located in major cities. These young people are faced with high rents that inhibit their ability to enter private tenancies.⁵ Thirty two per cent of the 44,000 young people are based in New South Wales and 31 per cent are based in Victoria.

For many, structural barriers beyond their control mean homelessness persists throughout their lives. Three in five young people are repeat homelessness service users. This is one reason why the number of young people experiencing homelessness has remained high at around 44,000 each year since 2011.



Young people (15-24 years) presenting alone to specialist homelessness services (SHS)

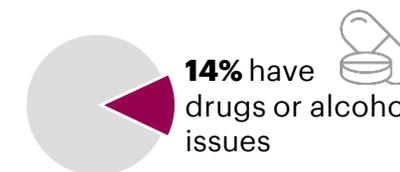
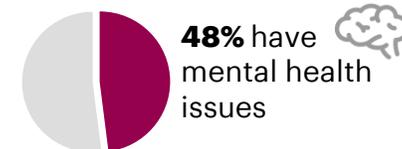
By select characteristics, 2020-21, national



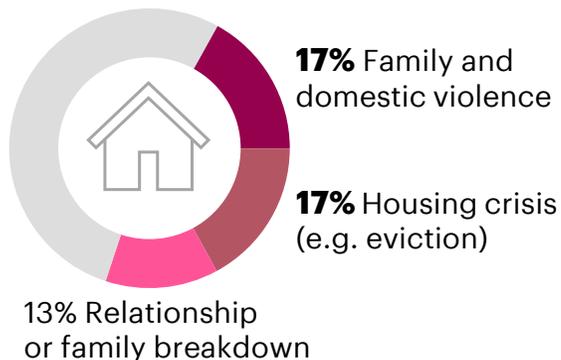
64% are young females

30% are First Nations young people

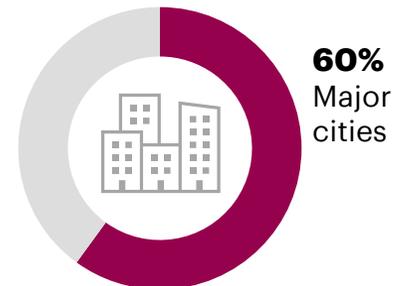
One in three out-of-home-care leavers will experience homelessness within a year of leaving care⁴



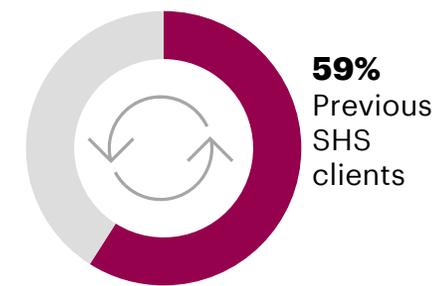
Main reason for presenting⁶



Location



Client type



Sources: 1. AIHW (2022) [Specialist homelessness services annual report 2020-2021](#). 2. AIHW (2022). 3. McDowall (2009) via AIHW (2022). 4. AHURI (2021) The staggering reality of life for young people after leaving out-of-home care. 5. MacKenzie et al. (2020). [Redesign of a homelessness service system for young people](#). AHURI. 6. AIHW (2022) [Specialist Homelessness Services historical data: 'Young people presenting alone, 2011-12 to 2020-21'](#). Other reasons include inadequate dwelling conditions, financial difficulties, and housing affordability stress.

Support for these young people focuses on addressing immediate accommodation needs

Despite SHS agencies operating beyond capacity, the needs of young people are still going unmet.¹ In 2020-2021, 52 per cent of those who requested short term or emergency accommodation (ranging from one night to up to 3 months) were supported. Only 25 per cent of those who requested it were provided medium term or transitional housing and a mere 4 per cent were provided long term housing.²

Unstable housing creates barriers and stymies access to other support; only 44 percent of young people presenting to SHS requesting mental health support were provided it, and only 39 per cent of those who needed it were provided drug/alcohol counselling.

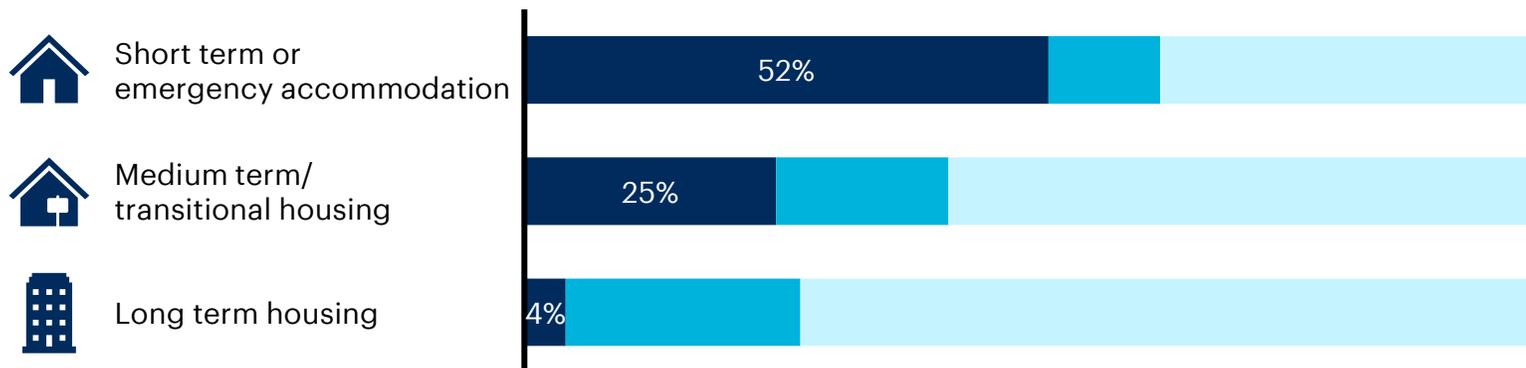
Most concerning is a lack of education and employment support. In 2021, 20 per cent of all SHS clients were in education or training before accessing support. After support, this increased to just 21 per cent.¹ This reflects a lack of integrated support to enable young people to transition to independence.

Service needs met, young people presenting alone to SHS 2020-21

% of young people requesting service

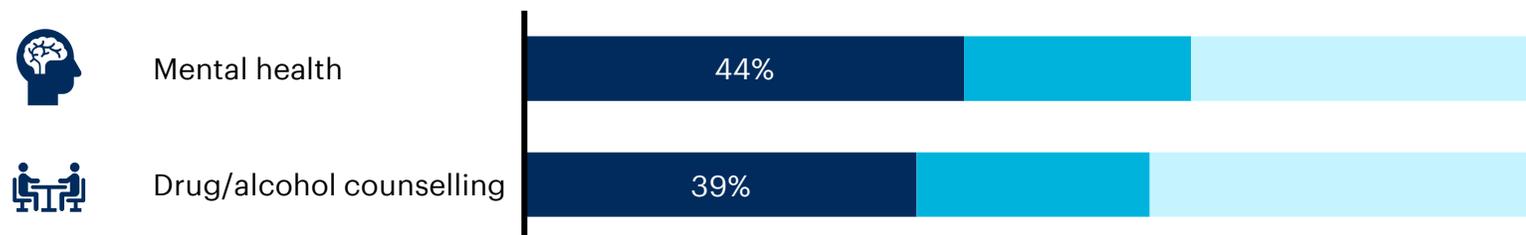
■ Provided ■ Referred ■ Not provided

Accommodation provision for young people who request it



Specialist homelessness services (SHS) directly **meet half of the need for short term or emergency accommodation.** However, medium and long term housing needs are not met for the majority of clients.

Support services



Notes: 1. Nationally, there are 1,698 agencies providing specialist homelessness services (SHS) across the system. In 2021, SHS services provided support to 27% more clients than they were funded for, and an estimated 40% of clients were turned away because services were unable to meet demand ([Homelessness NSW, 2022](#)). Sources: 2. [AIHW \(2021\)](#)

One young person going through the existing SHS system costs government \$386,000 over their lifetime

A young person eligible for Foyer support who goes through the existing SHS system will cost an average of \$385,961 to government. This is attributable to poorer average outcomes on housing, educational attainment and employment than the general population.

Young people experiencing homelessness **are less likely to complete Year 12 and are more likely to be unemployed.**¹ Because of difficulty sustaining training or employment, young people experiencing homelessness are more likely to depend on welfare, at an estimated \$123,638 lifetime cost net of tax.

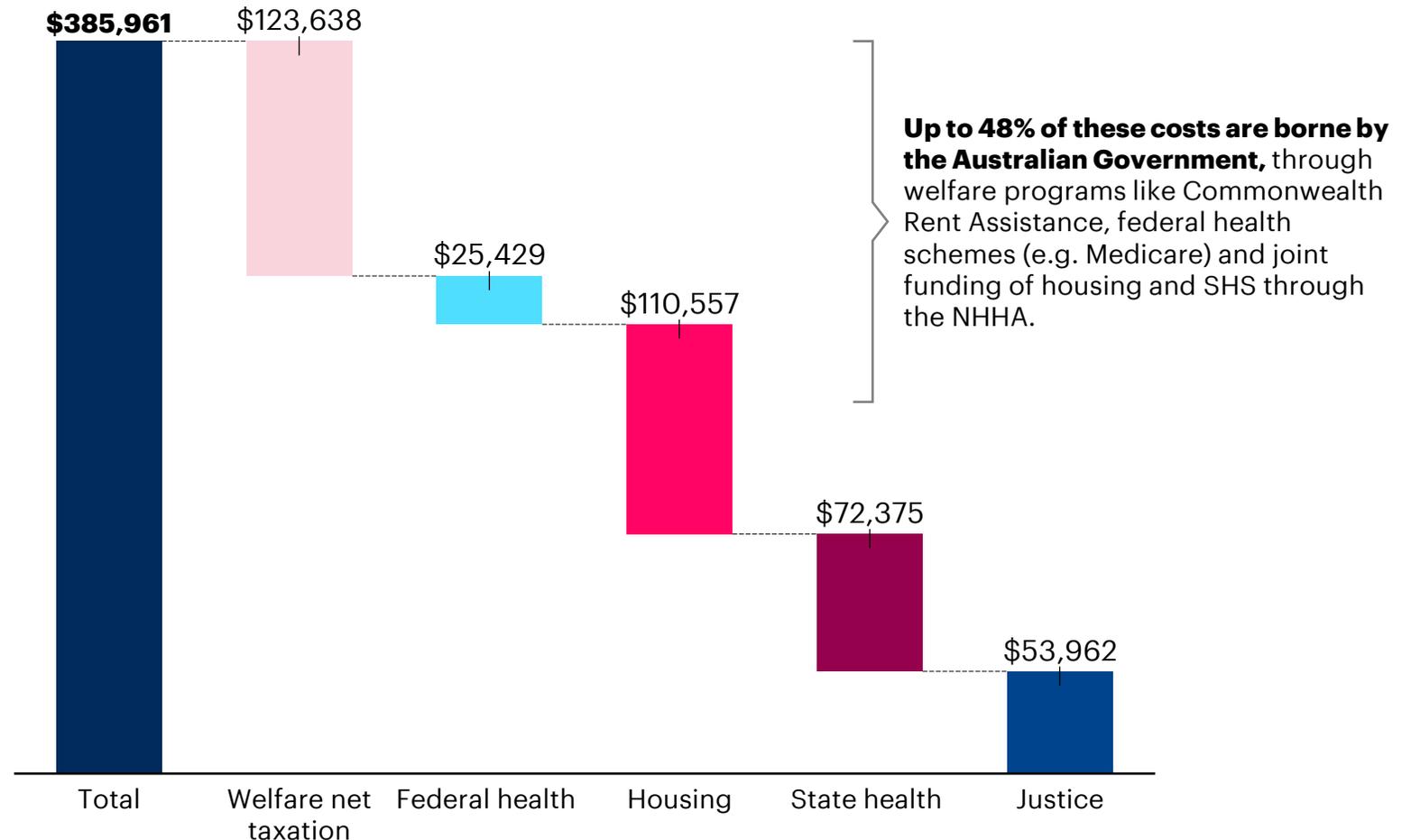
Couch surfing is a precursor to chronic homelessness. Forty nine per cent of SHS 'couch surfing' presenters are aged 15-24.² They are more likely to receive temporary accommodation rather than medium or long term housing, resulting in ongoing experiences of **housing instability at an estimated lifetime cost of \$110,557.**

Poorer health outcomes are likely to cost \$97,804 over a lifetime. Fifty three per cent of young people experiencing homelessness will face a mental health diagnosis.³ Young people experiencing homelessness are **more likely to become involved in the criminal justice system** than young people in stable housing.⁴ This results in a lifetime average cost to the justice system of \$53,962.



Lifetime costs to the Australian and state governments of a young person experiencing homelessness⁵

\$AUD 2021, Net Present Value (NPV), average young person eligible for Foyer support



Source: 1. Flatau et al. (2015) [The cost of youth homelessness in Australia study](#), AIHW (2021) [Health of people experiencing homelessness](#), 2. AIHW (2018) [Couch surfers: A profile of Specialist Homelessness Services clients](#) 3. Flatau et al. (2015) 4. AIHW (2016) [Vulnerable young people](#) 5. Taylor Fry (2021) [Their Future Matters](#), ABS (2021) Census; [AIHW \(2022\)](#). Notes: Young people presenting alone (n=41,700). Costs are modelled on a cohort of young people who would be eligible for Foyer. Lifetime represents 40-year costs. NPV uses 7% discount rate. Costs presented are to government only and do not represent the significant costs to individuals and communities of homelessness.

There is an opportunity to provide more holistic support to young people experiencing homelessness

It is clear that early intervention and integrated supports for young people are key to breaking the homelessness cycle.¹ But most young people don't receive integrated support. The current service landscape prioritises short term, crisis responses.² While these are needed and appropriate in certain circumstances, there are clear opportunities for more integrated support.

Seventy one per cent of the young people who present each year to SHS are not enrolled in education or training. Not attaining Year 12 raises the risk of presenting to SHS in the future by 30 per cent.³

Thirty four per cent of the young people presenting to SHS each year request assistance for life skills, 30 per cent for education and training, and 17 per cent in employment assistance.

Homelessness denies young people a lifetime of opportunities, hindering education and employment despite their clear desire to engage. Intervening with this cohort of young people is a key chance to tackle entrenched cycles of disadvantage, by helping to develop skills and gain employment.



However, there was a clear desire to re-engage



34%

Requested **living skills/personal development**



30%

Requested **educational or training assistance¹**



17%

Requested **employment assistance**

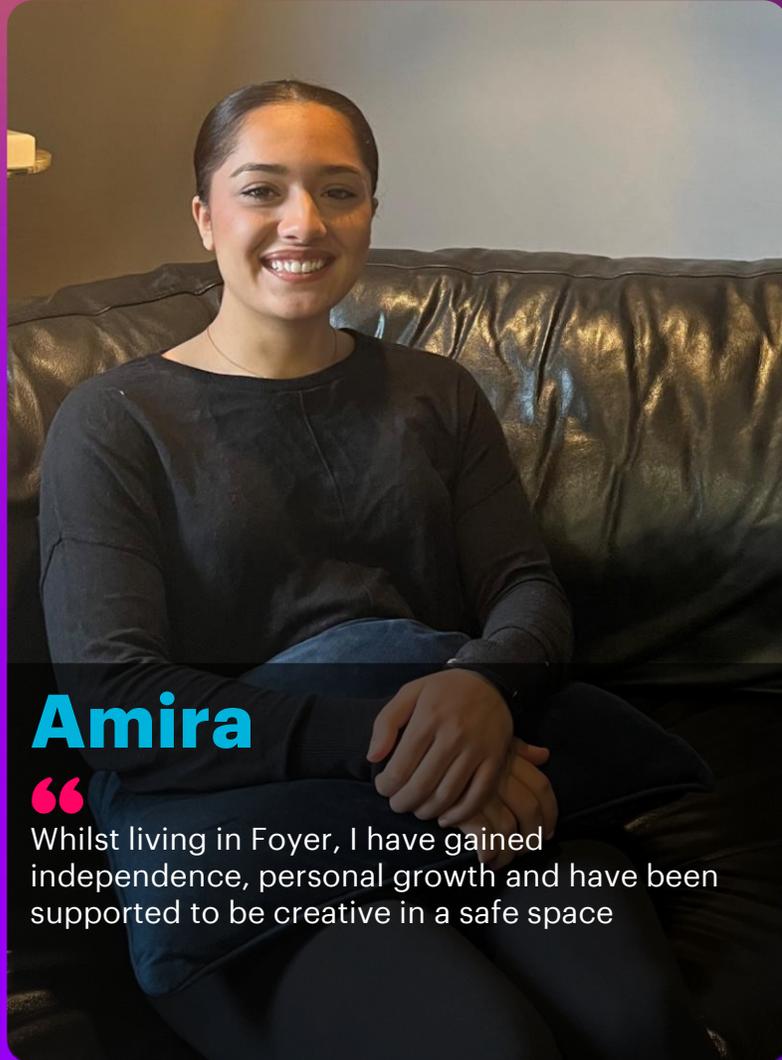
Notes: 1. 17% requested educational assistance and 13% requested training assistance.
Sources: 1. Coddou et al (2019) [Starting a future that means something to you](#).
2. MacKenzie et al. (2016); Youth Development Australia (2019). 3. Taylor Fry (2021), AIHW (2022), Accenture analysis.

3 The integrated Foyer approach

Foyer provides an integrated, holistic approach to tackling youth homelessness that transforms lives



Foyers unlock thriving futures



Amira

“

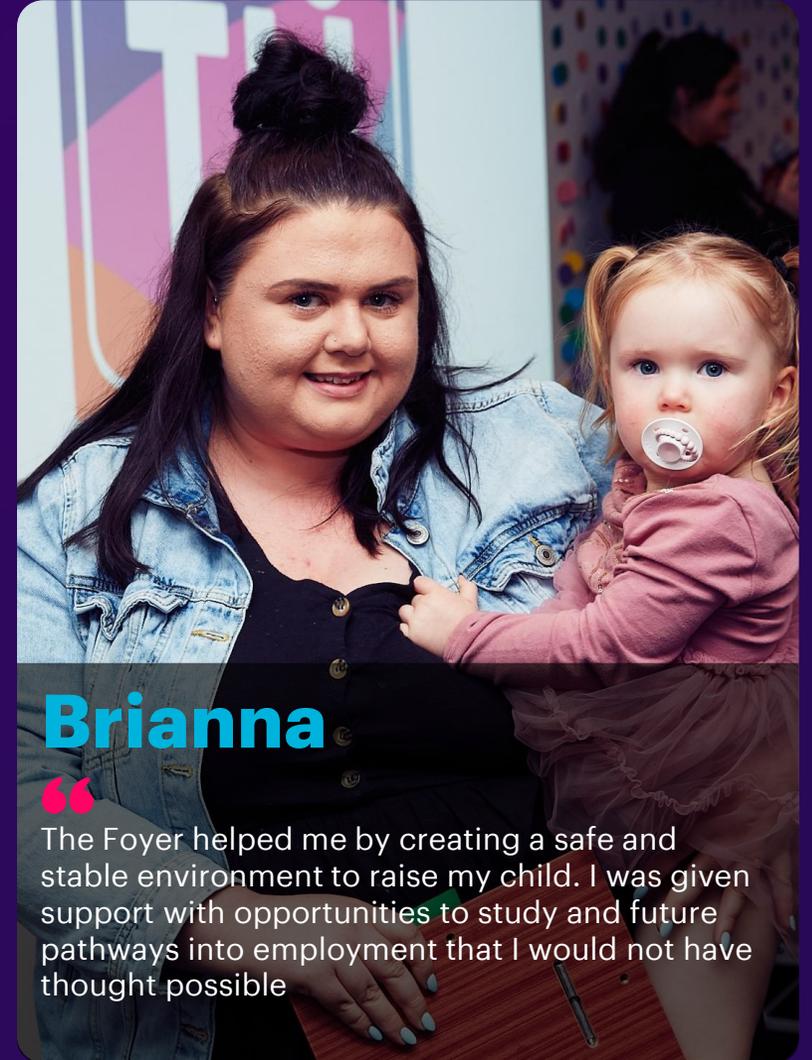
Whilst living in Foyer, I have gained independence, personal growth and have been supported to be creative in a safe space



Lincoln

“

As a proud Aboriginal man of the Yuin nation, Southern Foyer motivated and encouraged me to become more confident in myself. I am often given the opportunity to open events with my rendition of Acknowledgement of Country. I am really grateful for Foyers and all the opportunities it has given me.



Brianna

“

The Foyer helped me by creating a safe and stable environment to raise my child. I was given support with opportunities to study and future pathways into employment that I would not have thought possible

Foyers are a place-based, integrated solution providing education, employment and accommodation for young people, aged 16-24, who are at risk of or experiencing homelessness

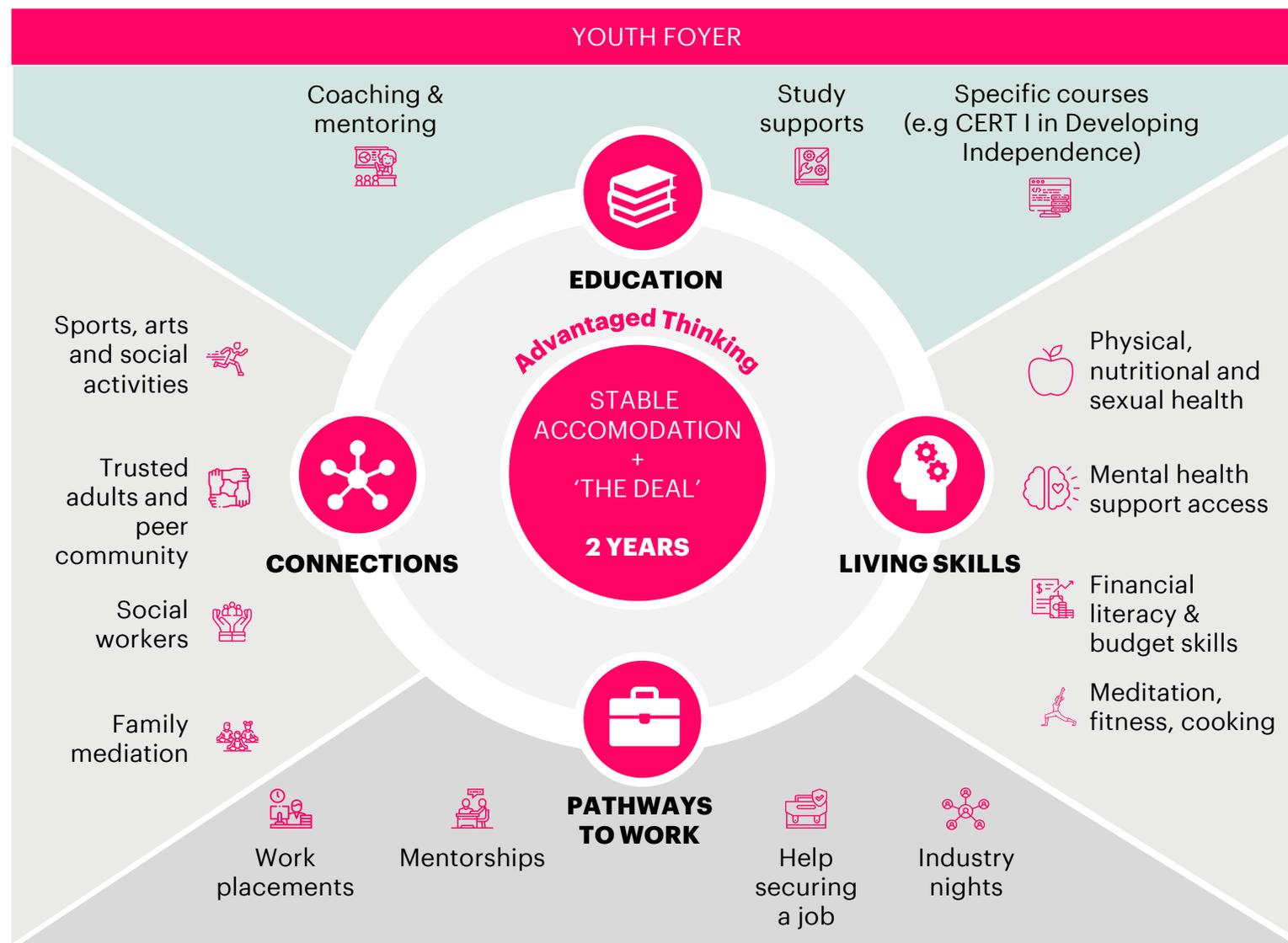
Foyers provide young people with both stable accommodation and integrated supports to develop their goals across six service offerings: education, work, health, connection, financial capability and independence. This is grounded in an Advantaged Thinking practice approach in which staff coach young people to develop their goals and aspirations.

The typical Foyer is a medium-size facility, with capacity to house and support 40 young people. A main community service partner provides a team of 11 on-site staff, responsible for managing and delivering the core offerings of the Foyer. This staff may comprise of a manager, caseworkers, youth connect workers and overnight staff.

This core team is assisted by effective partnerships with other community organisations, each aligned to the different areas of offerings. For example, employment training may be delivered through TAFE, mental health services delivered through Quovus, or nutrition programs delivered with OzHarvest.¹

The accreditation model ensures the Foyer approach brings integrated offerings and Advantaged Thinking to young people across Australia.

The Foyer approach



Notes: 1. Examples are indicative only. OzHarvest and Quovus are partners of Foyer Central in Sydney. Sources: Foyer Foundation (2022) Annual conference 2022, Foyer annual reports.

The Foyer accreditation process ensures fidelity to the approach, while enabling place-based innovation through a principles-led approach

Foyers accredited by the Foyer Foundation address the service gap for disadvantaged young people at risk of, or experiencing, homelessness by providing an integrated learning and accommodation setting. Accredited youth Foyers operate with their own models, emphases and focal cohorts, working with a diversity of young people through critical life transitions.

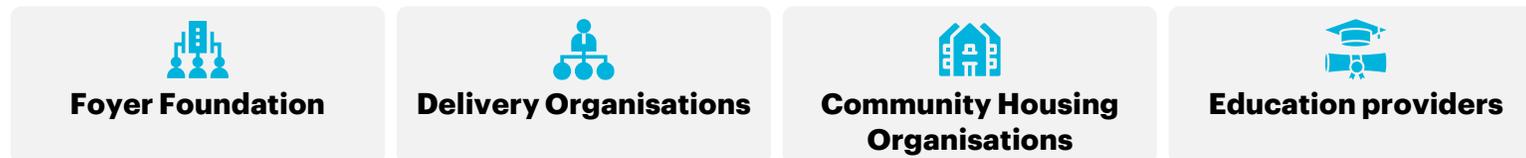
United by a common Foyer approach and core offering, accredited Foyers provide:

- A secure home base and motivational environment
- A Foyer community
- Group work, coaching and one-on-one support
- Links to networks, resources, support systems, opportunities and experiences in the community aligned with young people's interests, goals and aspirations

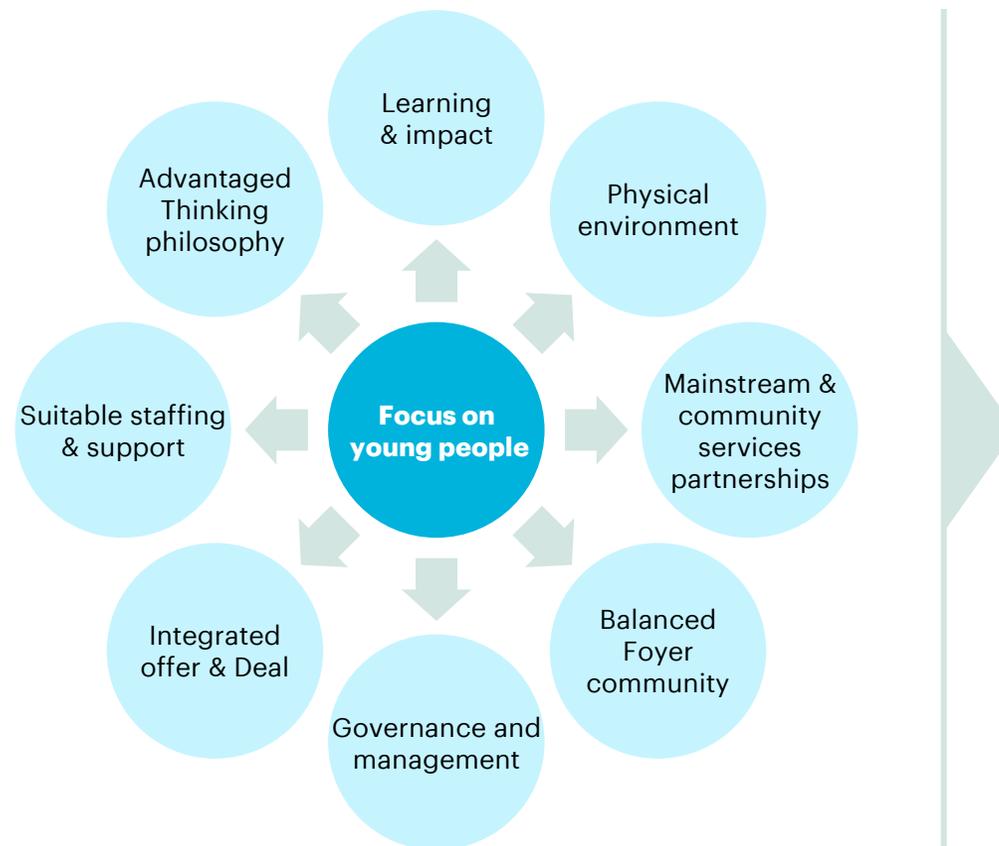
This principles-led accreditation framework allows Foyers to provide consistent quality, adapted to place-based needs.

Becoming a Foyer – stakeholders and accreditation

Stakeholders involved in operating a Foyer



Australian Foyer Foundation Accreditation Framework – 8 Quality Standards



These quality standards provide a **principles-led approach**, while allowing individual Foyers to be **adaptive to place-based, local community needs and contextual factors**.

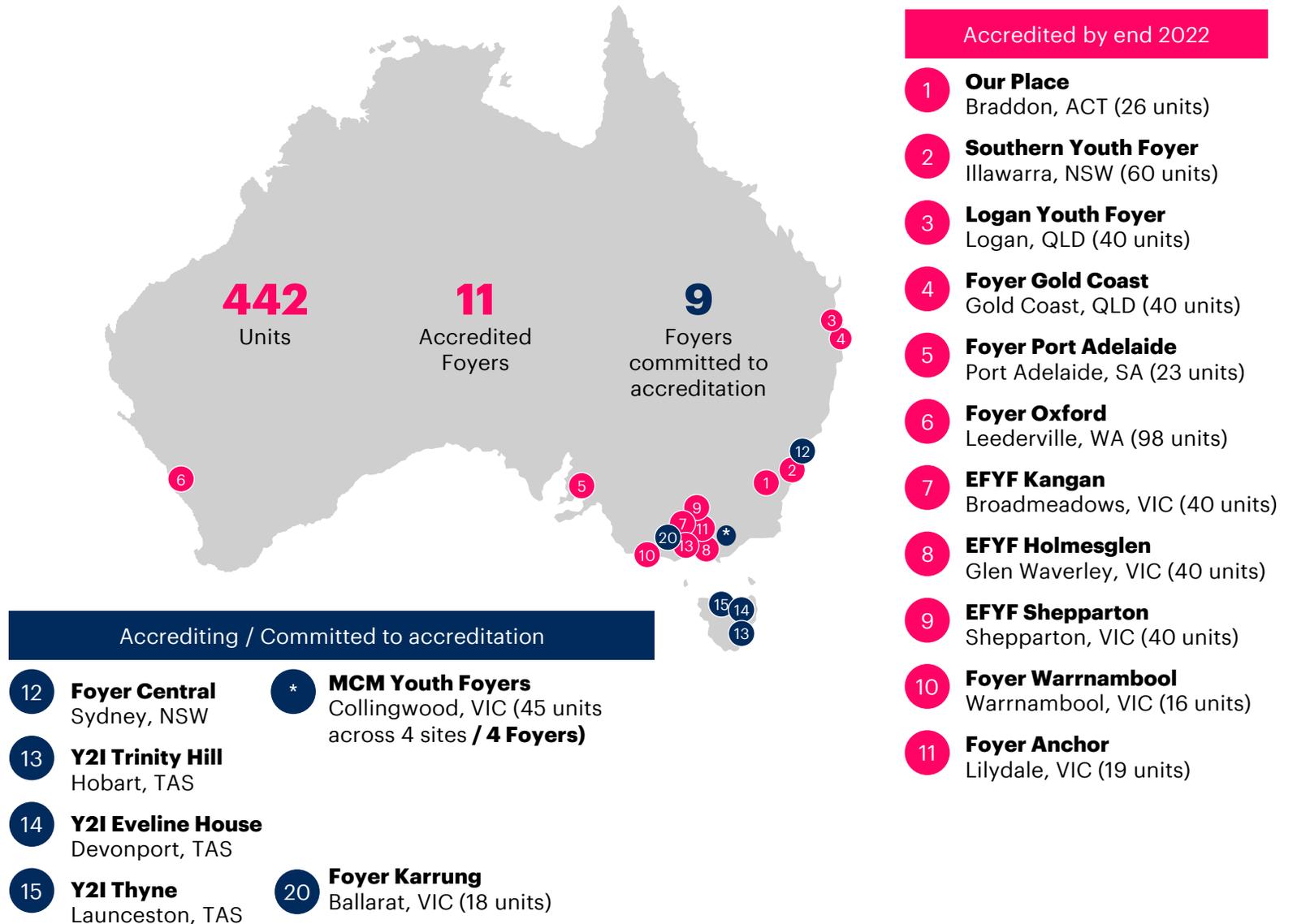


The current 11 accredited Foyers will be joined by 9 more that are operated by well-established and respected community service partners in 2023

Network of community service partners



The Foyer network



The stable housing within a Foyer provides the environment for individuals to complete education, training and develop life skills, disrupting the cycle of disadvantage

Education and training



1.6x

more likely to achieve a higher level of education

Young people in Foyer are supported through education and training. They are 1.6x more likely to achieve a higher level of education when they go through Foyer compared to SHS.

Foyers have close partnerships to education support, with many located on TAFE grounds.

Health and wellbeing

Foyers aim to promote and build positive physical, emotional and psychological health through workshops, trainings, peer supported groups as well as referrals and access to specialist physical and psychological health services.



“Whenever I was stressed or anxious, the outdoor area was very relaxing because I used to always [garden there]. It began to be therapeutic. - Ramis¹

Social connections



The stable housing environment provided by Foyer facilitates the development of social connections, which are **key to building self-esteem and a sense of belonging.**

“The services that [Foyer] put me in touch with, and all the opportunities that [Foyer] gave me have helped me grow professionally and personally. - Shaun¹

Employment and income



Sixty-five per cent of Foyer participants gain employment, compared to 51 per cent if they had gone through SHS. This is thanks to the pathways to work and mentorship programs offered at Foyer.

“My youth development worker helped me with the cover letter and my résumé, and I got accepted. Everyone in the Foyer knows that I want to be an engineer. I’m working in an engineering company now. - Firouz¹

Independence and financial skills

Specific courses like **Certificate I in Developing Independence**, delivered in partnership with TAFE, assist young people in Foyer to **map their aspirations**, develop goal-setting and planning skills and identify the resources and networks needed to **pursue goals.**



“I’m clearer about what I want to do in the future, and I feel more mature than before. - Firouz¹

Safe housing and living skills



Eighty per cent of participants exit Foyer into stable housing,² with 72 per cent of young people exiting into private housing.

80%
Exit Foyer into stable housing

Foyer enables this transition by developing residency and living skills to sustain independent living, particularly in shared tenancies.



Mia's journey with Foyer supported her to engage with health providers, undertake studies and set her sights on the skies

Mia moved into Foyer Central in April 2021. She is a young 18 year-old Aboriginal woman, experiences anxiety and has been in kinship care with her Aunt since the age of 12.

Mia sought out the Foyer Central Program due to overcrowding in her previous accommodation and her Aunt having to relocate elsewhere.

Since moving into Foyer Central, Mia has commenced meeting with a Quovus clinician each fortnight to help develop strategies to address her anxiety. This was the first time in Mia's life that she has actively engaged with mental health support services.

Mia is currently undertaking a Bachelor of Social Work at the University of NSW. She has been linked with support at university and receives assistance to help her manage her time and thrive in her studies.

Mia also commenced casual employment with Aldi in July and has **recently completed a six-week internship with Sydney Airport in their health and wellbeing team**. She has since been offered a second placement following a positive experience during the internship.

**This case study is an extract from [SVA investor Report on Foyer Central](#).*

***The participant's name has been changed to protect their privacy.*



The benefits of a young person supported through Foyer are \$172,417 in reduced lifetime costs compared to a young person in SHS

The integrated support offered by Foyer sees young people achieve better employment, housing, health and justice outcomes over the course of their life, relative to similar young people who are supported through SHS. This results in an **overall per person benefit to government of \$172,417 in avoided costs.**

A young person exiting a Foyer will incur **\$54,916 less in housing costs.** This is because 80 per cent of young people exiting Foyer move into stable housing; nearly 20 per cent more than for similar young people supported through SHS.

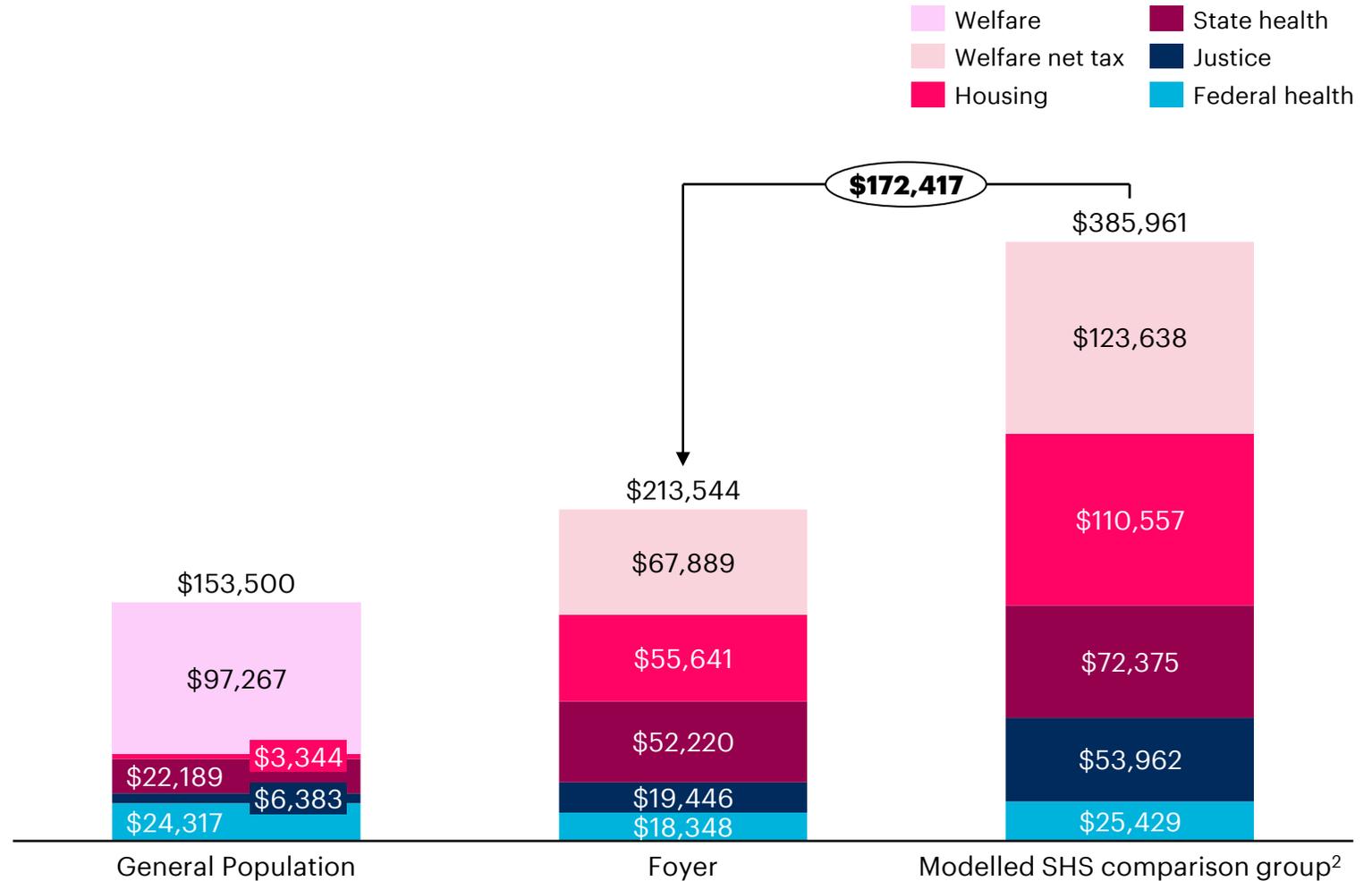
Sixty-five per cent of young people are in employment over their lifetime, compared to 51 per cent for SHS. This reduces the need for welfare by **\$47,330.** A young person exiting a Foyer contributes **\$8,420 more tax revenue** to government than SHS. Young people in a Foyer cost **\$27,235 less in health costs** due to improved overall health outcomes from stable housing. Young people in Foyer cost **\$34,516 less in justice costs** because stable housing and education reduces the likelihood of involvement with the justice system by 60 per cent.

These cost-savings highlight a need for the system to continue supporting existing services and create more medium-term housing that integrates employment, education and health support.



Cost of government services for a young person in Foyer compared to a similar young person in SHS¹

Per person, \$AUD, 2021, Net Present Value (NPV), 40 years



Notes: 1. Housing costs are based on [Productivity Commission \(2021\)](#) and [AIHW \(2022\)](#). It does not include the cost to support a young person for 1.2 years in Foyer (\$43,517) and SHS (\$17,682). Justice costs are calculated by multiplying the rates of offending by the cost of offending. Cost of offending is based on [Taylor Fry 2021](#). Rates of offending are based on [BSL \(2019\)](#), [KPMG \(2019\)](#). Health costs are a function of housing outcomes, and are based on [MacKenzie et al \(2016\)](#). Welfare net tax costs are a function of employment outcomes for Foyer and SHS. Unemployed individuals are assumed to be on Newstart payments, receiving \$668.40 a fortnight. See Methodology for more detail. General population costs based on Taylor Fry 2021. 2. This is the outcomes of if the Foyer cohort were to receive SHS support. This modelling was done using conditional probabilities. See methodology for more detail.

\$89,000 of the total benefits from Foyer accrue to state governments through reduced housing, health and justice costs

State governments receive 52 per cent of the benefits from reduced cost to government services over the lifetime of a young person experiencing homelessness who is supported through Foyer.

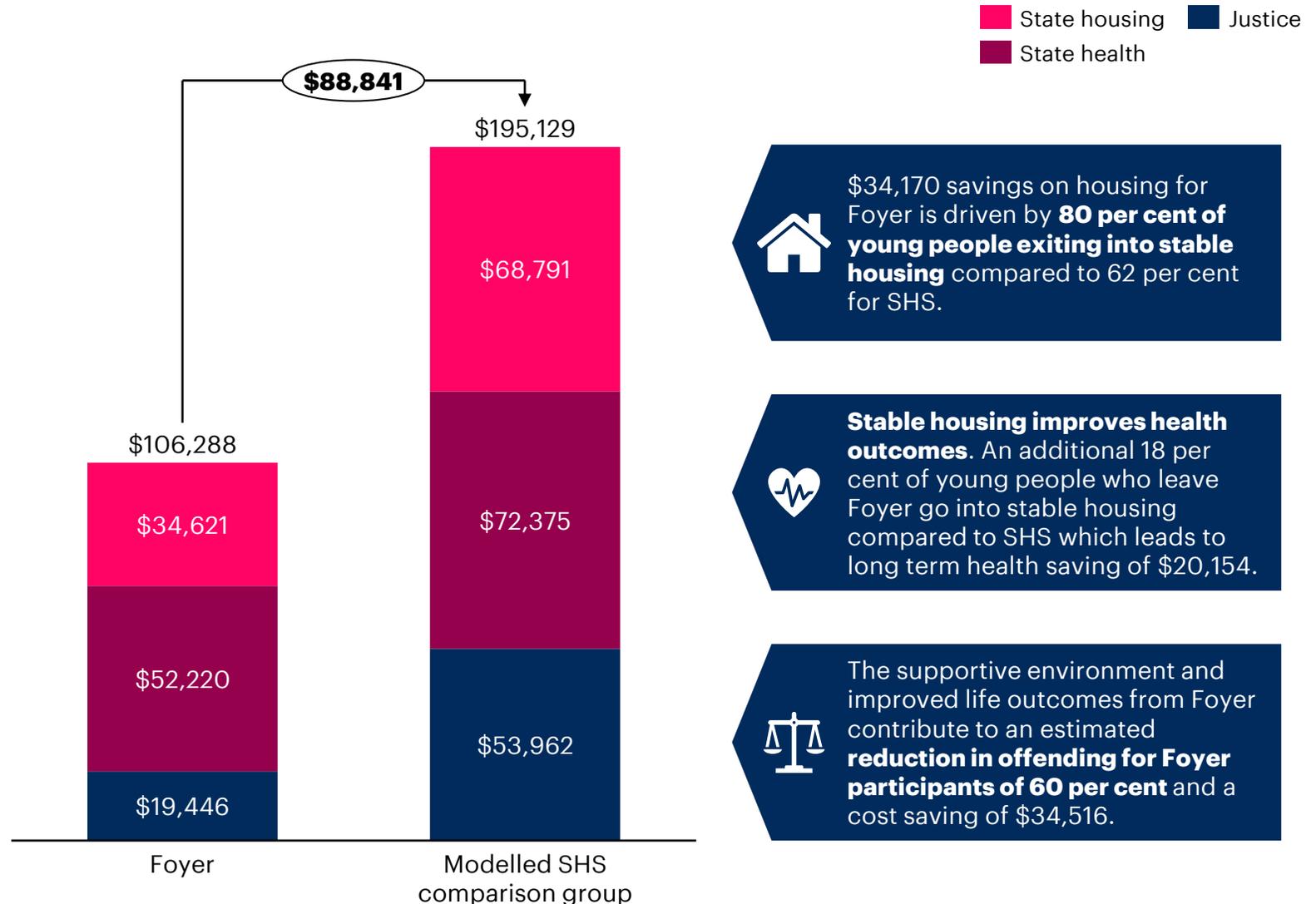
Eighty per cent of young people in Foyer (compared to only 62 per cent through SHS) exit into a stable house. This improves life outcomes but also **reduces a young person's reliance on state government-supported housing with a lifetime saving of \$34,170.**

Health costs for a young person experiencing homelessness are estimated to be \$10,231 per year,¹ with 74 per cent of health costs attributed to state governments in this study. The improved health outcomes from 80 per cent of young people in stable housing results in a **lifetime health cost saving of \$20,155 for state governments.**

Foyer participants are estimated to experience a 60 per cent reduction in offences compared to a 14 per cent increase for young people in SHS.² **Reduced justice system involvement improves life outcomes and reduces costs to state governments by \$34,516.**

Cost of state government services for a young person in Foyer compared to a young person in SHS³

Per person, \$AUD, 2021, NPV, 40 years



Sources: 1. MacKenzie et al. (2016). 2. KPMG (2019) 3. Housing costs are split into unstable housing costs and social housing costs. Unstable housing costs are based on the per day cost of SHS, found in Productivity Commission (2021). Social housing costs are based on AIHW (2022). Justice costs are calculated by multiplying the rates of offending by the cost of offending. Cost of offending is based on Taylor Fry 2021. Rates of offending are based on BSL 2019, KPMG 2019. Health costs are a function of housing outcomes, and are based on MacKenzie et al 2016. See Method of more detail.

\$84,000 of the total benefits from Foyer accrue to the Australian Government through reduced housing, welfare and health costs

The Australian Government receives 48 per cent of the lifetime benefits created from supporting a young person through a Foyer.

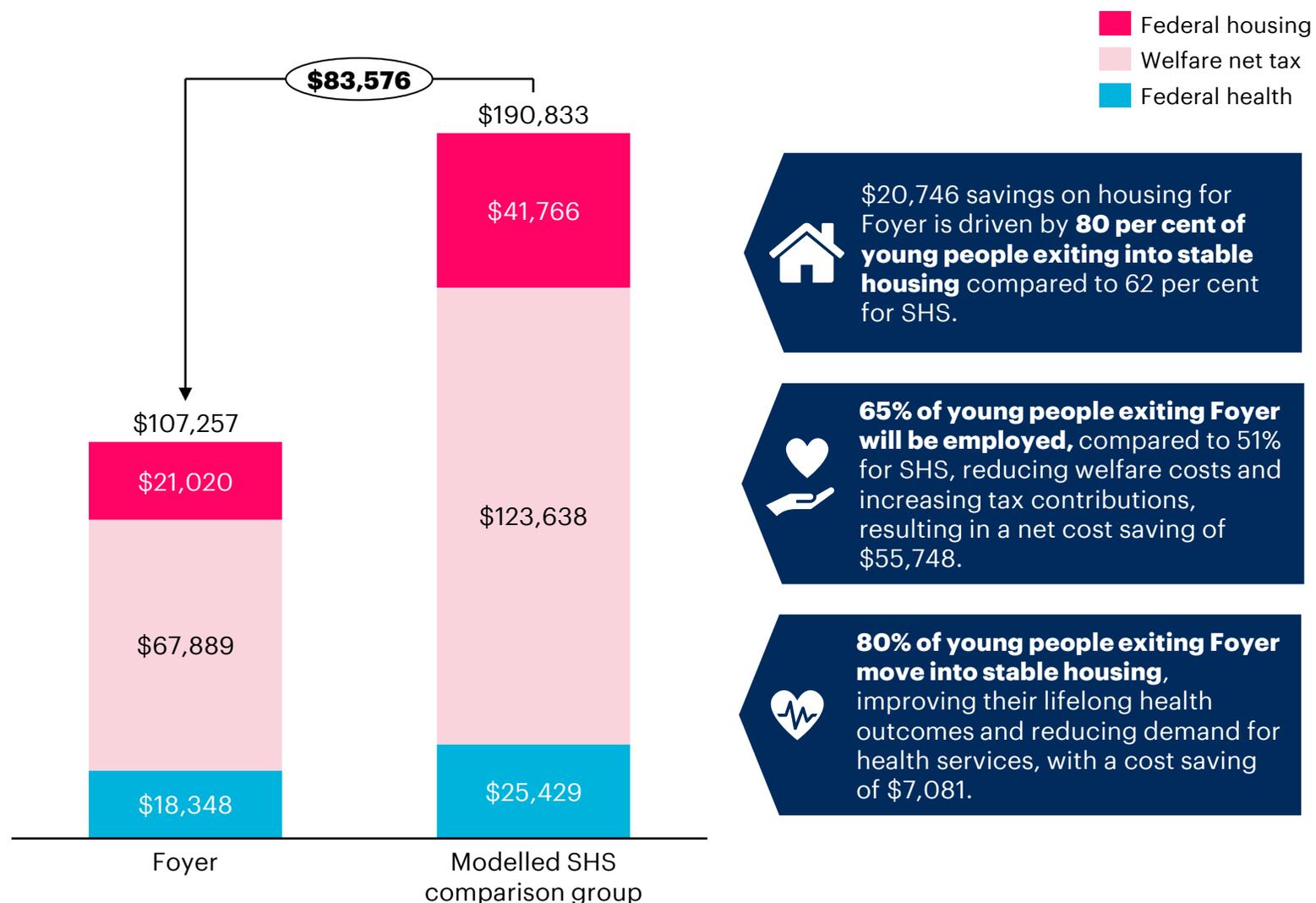
In addition to the savings on housing that occur at the state level, \$20,746 in per person lifetime housing savings occur at the federal level.

Sixty-five per cent of young people will be employed as a result of uplifts in education and training opportunities, compared to 51 per cent for SHS. Post-Foyer, young people are 1.6 times more likely to achieve a higher level of education compared to if they went through SHS. **Education and employment uplifts increase participation in the workforce and reduce the need for welfare support.** Foyer young people contribute \$8,420 per person in additional taxation. Overall, the **net welfare benefit from Foyer is \$55,748** in avoided costs and additional tax contributions.

Improved overall health outcomes reduces the usage of services covered under the Medicare Benefits Scheme (MBS) and Pharmaceutical Benefits Scheme (PBS). Eighty per cent of young people in stable housing on exit from a Foyer results in a **lifetime health cost saving of \$7,081 for the Australian Government.**

Cost of Australian Government services for a young person in Foyer compared to a young person in SHS

Per person, \$AUD, 2021, NPV, 40 years



Notes: Housing costs are based on [Productivity Commission \(2021\)](#) and [AIHW \(2022\)](#). It does not include the cost to support a young person for 12 years in Foyer (\$43,517) and SHS (\$17,682). Justice costs are calculated by multiplying the rates of offending by the cost of offending. Cost of offending is based on [Taylor Fry 2021](#). Rates of offending are based on [BSI \(2019\)](#), [KPMG \(2019\)](#). Health costs are a function of housing outcomes, and are based on [MacKenzie et al \(2016\)](#). Welfare net tax costs are a function of employment outcomes for Foyer and SHS. Unemployed individuals are assumed to be on Newstart payments, receiving \$668.40 a fortnight. See Methodology for more detail. General population costs based on Taylor Fry 2021.

For every additional \$1 of investment, Foyers deliver \$6 in benefits to government

Foyer **creates \$146,582 in net benefits per person** by reducing government cost from services across housing, health, welfare and justice over 40 years. This is a net benefit above what would be achieved if the same person went through SHS. There is societal value and value to the individual created as a result of the improved life outcomes from Foyer which is not captured in these figures.

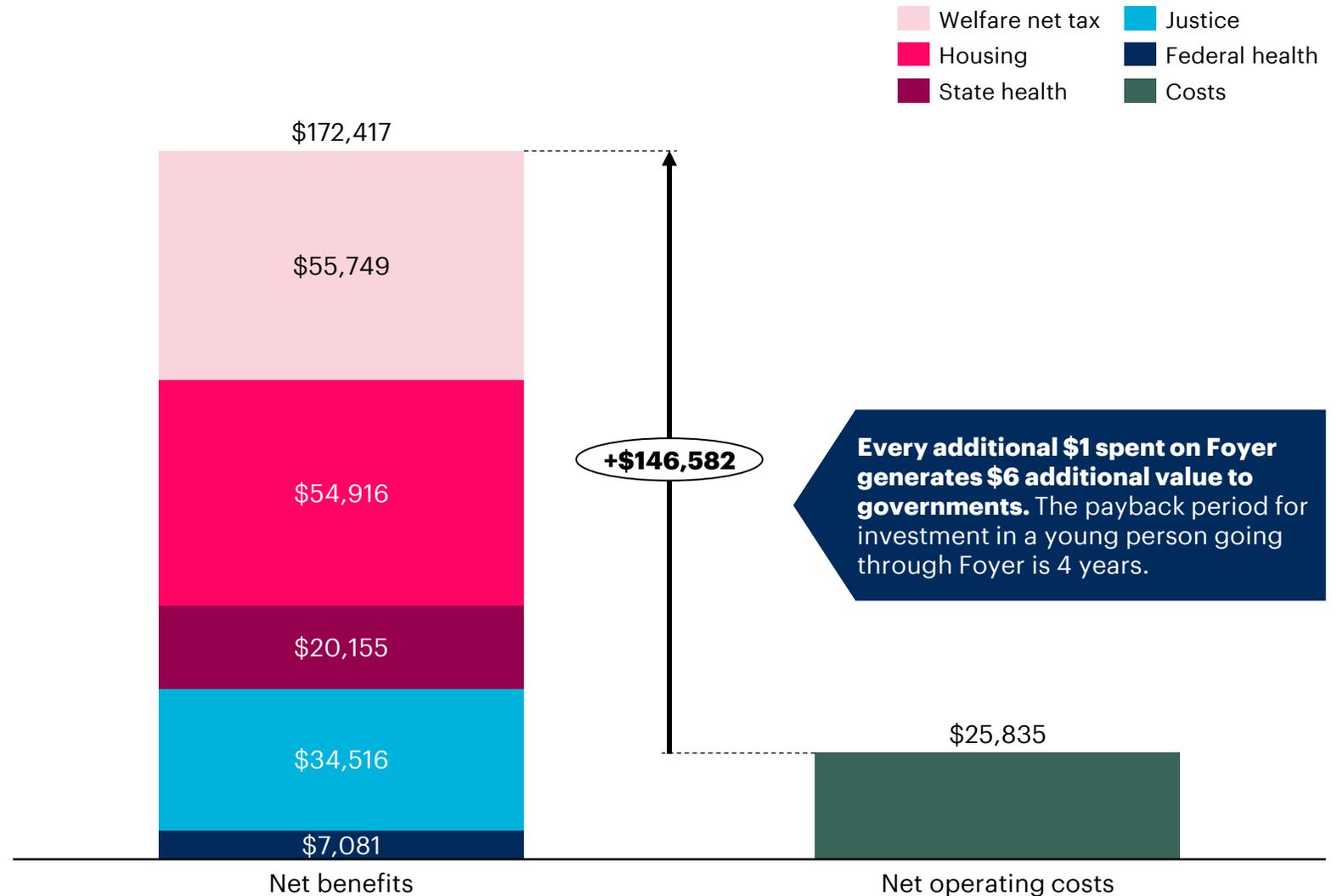
The average length of stay in a Foyer is 1.2 years. A Foyer stay costs \$43,517 per person, compared to \$17,682 for a comparable period supported through SHS. **Foyer's place-based, integrated offering costs an additional \$25,835 per year more in operating costs than SHS as Foyer offers education, training and support services not available through SHS.**

The benefits created through improved life outcomes for young people in Foyer and reduced government service usage outweigh the costs to provide the Foyer service. **For every additional \$1 spent on Foyer, \$6 more value is generated for governments.**

The operating cost of an individual to be supported through Foyer is **paid back in benefits to governments within four years of an individual exiting a Foyer.** While the costs are paid off in four years, the benefits which are created through the services offered at Foyer continue to accrue over an individual's lifetime.

Avoided government costs and incurred operational expenditure per person in Foyer

Per individual, \$AUD, 2021, NPV, 40 years



Every additional \$1 spent on Foyer generates \$6 additional value to governments. The payback period for investment in a young person going through Foyer is 4 years.

Notes: Housing costs are based on [Productivity Commission \(2021\)](#) and [AIHW \(2022\)](#). It does not include the cost to support a young person for 1.2 years in Foyer (\$43,517) and SHS (\$17,682). Justice costs are calculated by multiplying the rates of offending by the cost of offending. Cost of offending is based on [Taylor Fry 2021](#). Rates of offending are based on [BSL \(2019\)](#), [KPMG \(2019\)](#). Health costs are a function of housing outcomes, and are based on [MacKenzie et al \(2016\)](#). See Method of more detail. Welfare net tax costs are a function of employment outcomes for Foyer and SHS. Unemployed individuals are assumed to be on Newstart payments, receiving \$668.40 a fortnight. See Methodology for more detail General population costs based on Taylor Fry 2021.



Foyers unlock thriving futures



Nexus

“

Foyer has helped me to set career goals and get closer to getting my license so I can be independent



Sakshi

“

I received the motivation and encouragement from all the staff to keep going and reach out for my goals



Scott

“

Foyer gave me a place to live and a support system

4

The Foyer opportunity

Scaling from 11 to 50 Foyers will transform the lives of 19,262 young Australians and deliver \$2.9B in lifetime benefits for the young people reached by 2040



By scaling Foyer to 50 sites, there's the opportunity to change the lives of 19,262 extra young people by 2040

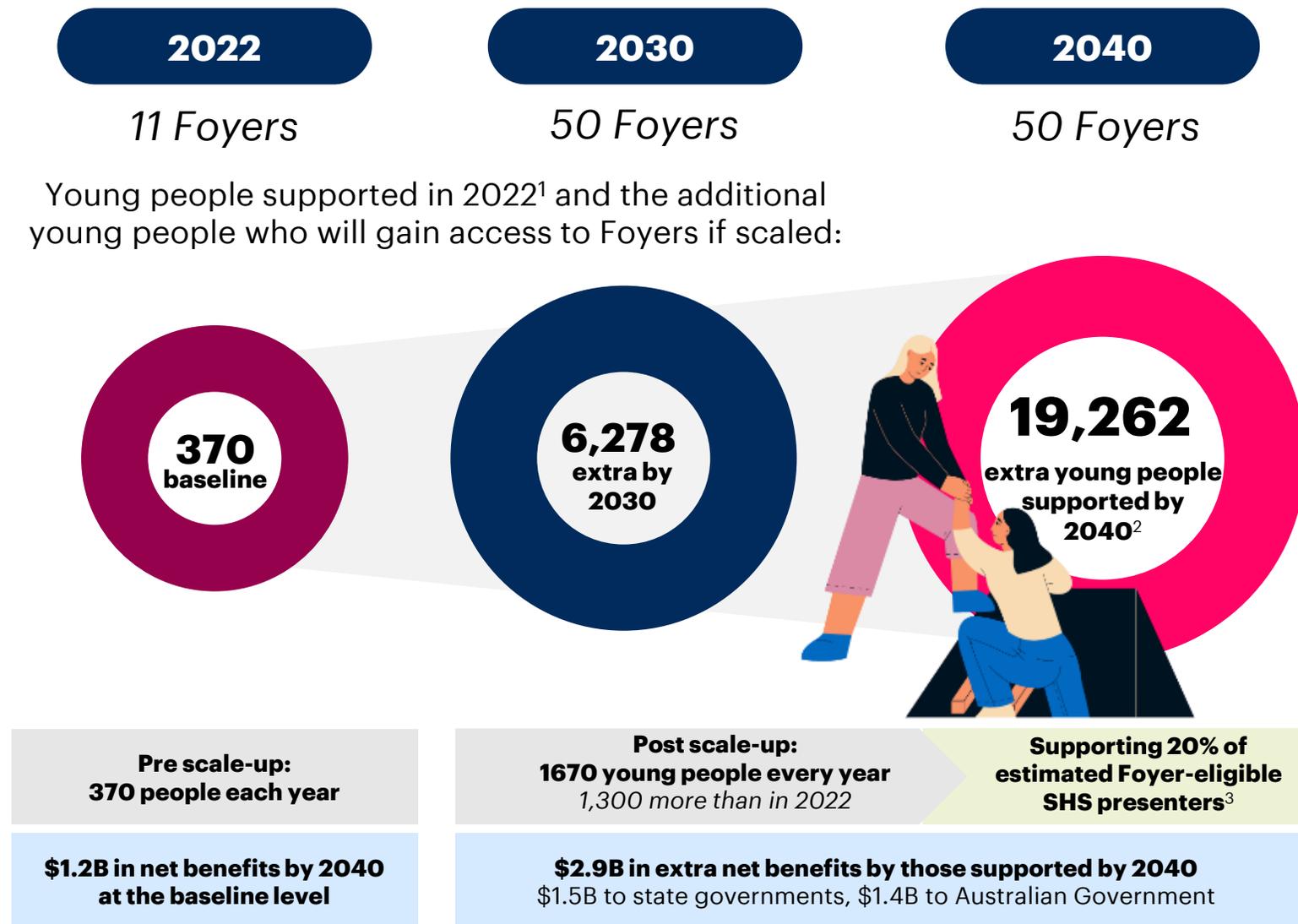
The Foyer Foundation has a bold yet achievable vision to transform the landscape of opportunities for young people experiencing or at risk of homelessness around Australia. Currently, 11 Foyers are set to be accredited by the end of 2022, serving 368 people a year. The Foyer Foundation's vision is to improve access to integrated and stable supports for young people, with a target of **50 Foyers by 2030**.

This expansion will allow Foyers to reach **6,278 more young people over 2022-2030**, in addition to the young people supported by the existing network of 11 Foyers.

Furthermore, once this expansion is complete, **1,298 extra people every year** will be able to access Foyers, leading to **19,262 more people receiving support by 2040**. This extra cohort will generate **\$2.9B in extra benefits, net of costs by 2040**. State and territory governments accrue \$1.5B (52 per cent) of these benefits through reduced housing, health and justice costs. The Australian Government accrues \$1.4B (48 per cent) of the benefits through reduced welfare, housing and health costs.



Scaling up from 11 to 50 youth Foyers will support an extra 19,262 young people by 2040



Notes: 1. Modelled on the total bed capacity of 11 Foyers accredited by end of December 2022, divided by the average length of stay of 1.2 years in a Foyer. Source: Foyer Foundation, Accenture analysis. 2. 'Extra' is compared to if 11 Foyers were still operating over 2022-2030 and 2022-2040. 3. 1670 is 20% of the 8563 young people presenting alone to an SHS each year who request education assistance (which is used as a proxy for Foyer eligibility).

Investing in the scale-up to 50 Foyers would lead to a benefit of \$950M in avoided costs by 2030

Scaling from 11 Foyers currently to 50 Foyers by 2030 will allow an additional **6,278 young people** to receive support from a Foyer. This will lead to savings to government of an estimated extra **\$950M by 2030 and \$2.9B by 2040.**

The largest components of these benefits accrue in avoided welfare costs and tax benefits, as well as avoided housing costs. This indicates the Foyer approach is highly effective in empowering young people to be economically independent.

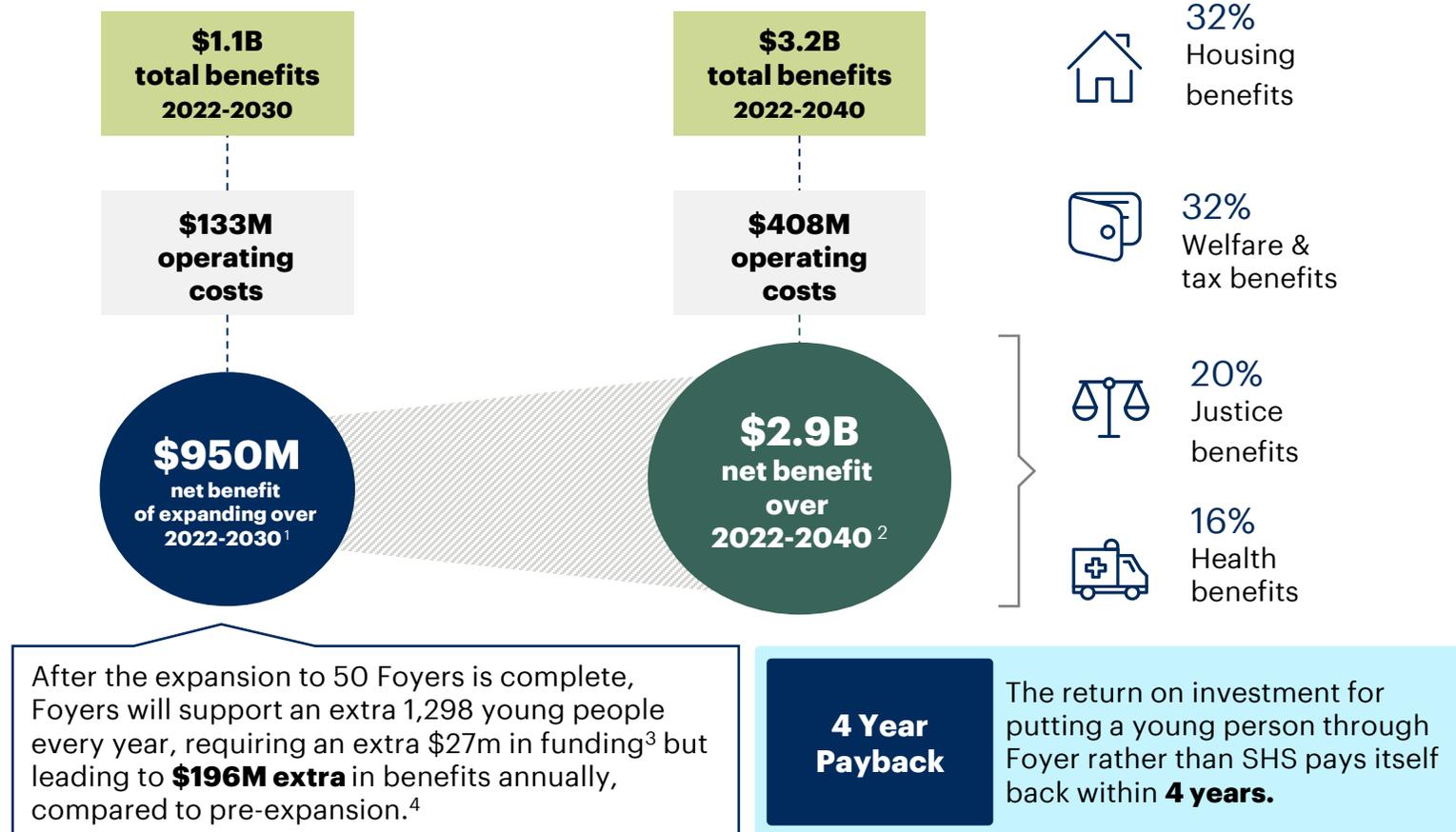
Expanding to 50 Foyers will require an extra investment of **\$133M by 2030**, above what it costs to operate equivalent SHS. After expansion is complete, the 50 Foyers would require \$27M more than equivalent SHS each year in operational funding. Importantly, because Foyer accrues more benefits to Government than SHS, this additional investment would be paid off in **four years.**

Estimated benefits and costs from scaling the Foyer network from 11 Foyers (2022) to 50 Foyers (2030)

\$AUD, Millions, 2021, NPV

By 2030, scaling to 50 Foyers will help an extra **6,278 young people** to unlock thriving futures and create....

By 2040, this network of 50 Foyers will have supported an extra **19,262 young people**, generating...



Note 1: \$950M = net lifetime benefit of Foyer per person multiplied by 6,278 (the number of new people reached in expansion). 2: 2022-2040 projections assume that no new Foyers are built after 2030. 3: The extra \$27M in funding represents the investment difference required to put young people through Foyer rather than SHS. 4: Based off \$172K in per person lifetime benefits of Foyer.

A mixed contributions funding model could enable this scale-up of Foyers nationally

Currently, state governments administer most of both the capital and operating funding of Foyers, alongside varied philanthropic contributions. This funding is allocated through the National Housing and Homelessness Agreement (NHHA) which is jointly funded by the Australian and state governments.

Continued state and federal funding of Foyers, and indeed other homelessness supports, is critical to transform the lives of young people and avoid significant costs to government.

Given the current fiscal environment however, there may be a need to explore additional funding streams.

One option could involve mixed contribution funding from different levels of government, recognising the benefits from Foyers accrues to both levels of government.

An additional opportunity is to involve impact investors. This model opens Foyers up to a wider range of potential funds and spreads the risks and costs of investment. However, the added complexity may slow down expansion and stakeholders may prefer services to remain the responsibility of government, rather than outsourced to the market.



Current main funding model



Most Foyer funding is by

State governments via NHHA + state funds

- Dependent on state allocations
- Potentially difficult to scale quickly to 50 Foyers

To accelerate the impact of Foyers, explore

Option 1 Mixed government funding model



Capital expenditure

State Government

Operating funding

Australian Government

State Government

Moving to a mixed contribution model presents new opportunities to rapidly scale Foyers nationally, unlocking benefits to state and federal bottom lines.

Option 2 Mixed government and private investment



Capital expenditure

Private/Social Impact Investors

Operating funding

Australian Government

State Government

Impact Investors

Collaboration with private and social impact investors opens Foyers to a wider range of funding sources, and allows Governments to accrue the benefits of Foyers without significant outlay.

Through enhanced data collection and linking, Foyer can continue to demonstrate the benefits of changing the lives of young people

There are several opportunities to improve the data in this space. Of high priority is to capture education and training attainment by levels (e.g. Year 12, VET Cert II, Undergraduate Degree) which will better allow researchers to understand the links between educational attainment as a circuit breaker for repeat service use. It will also improve the ability of projects such as this study to undertake cost-benefit and cost-effectiveness analyses of the supports provided by SHS agencies which go beyond just housing.

Supporting an increased number of linked data projects will enable the system to rigorously demonstrate the benefits of different types of interventions and how best to support different client groups such as young people.

Within the existing work by the Foyer Foundation and Foyer Outcomes Measurement working group, quality and aligned data are key priorities. Scaling to 50 Foyers offers an opportunity to undertake linked data monitoring and evaluation of Foyers nationwide. This project would need to be supported by the Australian and state governments, but could provide an invaluable evidence base for the benefits of support.

Improving the data in this space will highlight the benefits of interventions such as Foyer

Three key priorities



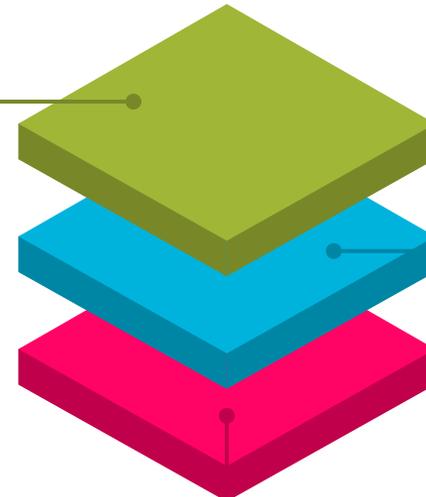
Support linked data projects

- **Link data to research outcomes overtime** – including education, Centrelink, ATO, housing, health and justice datasets
- **Facilitate quasi-experimental studies** – such as the Chelsea Foyer study in New York which highlighted justice savings from Foyer compared to a control group with similar intake characteristics



Enhance SHS data

- **Capture education and training attainment** by levels, beyond enrolment
- **Link clients with a history of OOHC** so this is comprehensive across the dataset
- **Study longitudinal service use, journeys and outcomes** including nights accommodated by clusters of service users
- **Better understand what happens** to service users between these periods



Monitor and evaluate at scale

- **As Foyers scale, support linked data monitoring & evaluations** of Foyers nation-wide
- **Roll out FoyerInvest's emerging Outcomes Measurement Framework** to new Foyers even before they are accredited



Appendix



Foyers support 368 young people each year who do not have stable housing and are committed to working towards their education and employment goals

Foyer eligibility



Young people 16-24 years old



With no stable housing



Motivated for education and employment

Capacity and length of stay



1.24 years

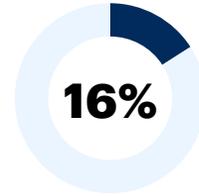
Average length of stay



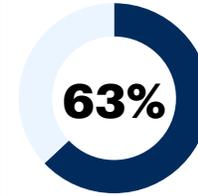
368

Young people supported through Foyers each year¹

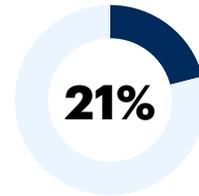
Foyer 2021 cohort demographics



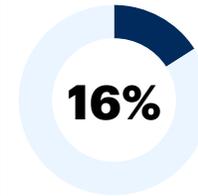
Identify as Aboriginal and/or Torres Strait Islander



Identify as female

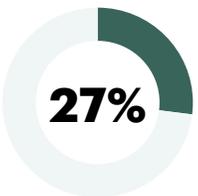


Were born outside Australia

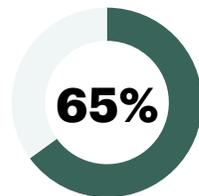


Speak a language other than English at home

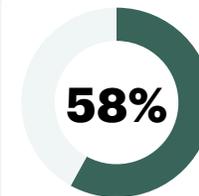
Education, employment and housing measures on entry



Are in employment on entry to Foyer



Are engaged in education on entry to Foyer



Are in unstable housing on entry to Foyer



The average 40-bed Foyer has operating costs of \$1.6M-\$2M

Operating expenditure covers the costs of running the Foyer. Staff from a community services organisation, such as Wesley Mission, would manage overall program delivery. Additional partnerships with institutions like TAFE or universities would be needed to deliver the integrated employment, education, and life skills programs. Other costs, like building maintenance, rental assistance, or client brokerage are also included. In total, the operating costs for a 40-bed Foyer are approximately \$1.6M-\$2M.

Importantly, in the prior analysis on the benefit-cost ratio of Foyers, capital expenditure (the 'bricks and mortar' costs of establishing a new Foyer) is excluded. This is for three reasons. First, Foyers are often established within existing facilities (i.e. TAFE buildings). Second, capital costs may be funded by private investors interested in land/rent returns as well as philanthropists. Finally, it is assumed the capital cost of building a 40-bed Foyer is approximately equivalent to building a 40-bed SHS facility, and therefore the net capital cost is approximately zero.¹

Indicative costs of a Foyer for 40 units

\$AUD, 2021

Capital expenditure



Land and Building

\$10-\$15M²

Operating expenditure²

Per Foyer



Program Management & Delivery (Salaries for Staff)

\$900K-\$1.3M



Service Offerings (Education, Employment, Social Activities)

\$400K



Building Maintenance

\$300K



Total operating expenditure (annual for Foyer of 40 units)

≈\$1.6M - \$2M

A typical Foyer costs ~\$1.6M pa to operate, while creating impact for 40 young people. Particular factors including building and rental arrangements (if applicable), the target cohorts and model, and geographical factors can increase this cost to ~\$2M pa. **Even at the estimated upper limit of Foyer costs, the benefit-cost ratio is still \$4.14.** This means for every \$1 invested in Foyers, governments receive \$4 of benefits over the young person's lifetime.

Note 1. Brotherhood of St Laurence modelling of the EFYF model estimates the capital expenditure required for a 40-bed Foyer is \$10-15M. 2. Figures are based on data received from Foyers, and are cross-referenced with BSL modelling. Figures serve as indicative only, and should not be used beyond this purpose.

The payback period on investment in Foyers is 4 years, while benefits persist across lifetimes and generations

The per person cost of Foyer is on average \$43,517. The per person benefits are \$172,417 accrued over 40 years. This means the investment in Foyer is offset by the benefits in the first four years of the young person's post-Foyer journey.

Even when costs of Foyer are modelled to be at the upper limit of \$60,000 per person, the payback period is 6 years.

Importantly, the benefits analysis only captures cost-savings to government. Foyers also bring flow-on benefits to communities and future generations.

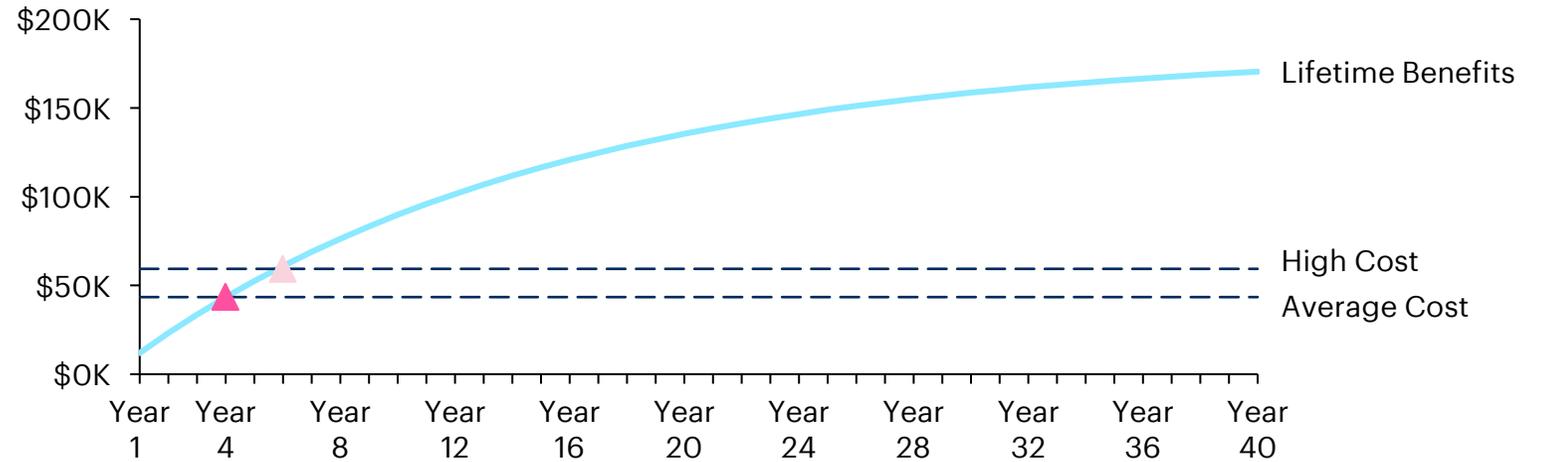
For the community, the Foyer model is it ensures young people have access to local community networks, like sporting, cultural and community groups. Rather than being alienated by homelessness, young people in Foyers become contributing members of a community.

For future generations, Foyers break a cycle of disadvantage that often extends across generations. Additionally, because Foyers improve education outcomes, this may, by extension, impact rates of teenage and young pregnancies.¹

These intangible flow-on effects mean the return on investment presented in this report is conservative.

The payback period on the operating cost of Foyer is 4 years

Thousands, \$AUD, 2021, NPV, per person



Additional flow-on benefits



Post-Foyer, young people are motivated to give back and make a difference in their communities



Foyers break cycles of disadvantage and are likely to reduce rates of young pregnancy¹



Stable housing, employment and better health restore a sense of dignity



Justice and employment outcomes make communities safer and thriving places

Note 1. Attaining higher levels of education is correlated with lower rates of youth pregnancy. (Accenture analysis, ABS 2021 Census data). Therefore, Foyer's education outcomes are likely to result in lower rates of youth pregnancy.

The benefits created by Foyer meet the objectives of existing allocations in portfolios such as youth, education, employment and health

Foyers are much more than a housing solution. The integrated support Foyers offer means they are equally employment, education and health interventions. This means investment in Foyers can come from a range of existing portfolios, both at a the federal and state level.

At the federal level, the National Housing and Homelessness Agreement (NHHA) has been the main instrument for funding affordable housing. However, the 2022-23 Budget presents new opportunities for Foyer funding, with new measures for affordable housing, fee-free TAFE and mental health services.

In addition to the NHHA, state governments have dedicated social housing, employment and health portfolios that are aligned to the benefits of Foyers.

Finally, private and social impact investors, as well as philanthropic partnerships, provide a third avenue for funding. Particularly, social impact bonds allow investors to fund Foyers, with the cost savings accrued to Government circled back as returns on investment.

Illustrative examples of allocations aligned with the benefits created by Foyer

|  Australian Government |  State Government |  Private / Impact Investors |
|--|---|--|
| <ul style="list-style-type: none"> • \$1.6B pa National Housing and Homelessness Agreement (NHHA) • \$10B Housing Australia Future Fund, (2022-23 Budget) <ul style="list-style-type: none"> – \$100M for women and children at risk of homelessness. | <p>Dedicated social housing funds:</p> <ul style="list-style-type: none"> • \$337M NSW Housing Package • \$130M pa QLD Housing Investment Fund <p>Youth jobs and skills programs:</p> <ul style="list-style-type: none"> • \$100M NSW Smart, Skilled and Hired Initiative • \$69.3M VIC over four years, Head Start apprenticeships • And others in every state... | <p>Private Equity Investors</p> <ul style="list-style-type: none"> • Providing CapEx for land and building, receiving rent/property value in return. |
| <ul style="list-style-type: none"> • \$1B for fee-free TAFE and \$485M for additional university places (2022-23 Budget) | <p>Youth justice programs:</p> <ul style="list-style-type: none"> • \$79M QLD investment in Youth Justice Strategy | <p>Social Impact Investors</p> <ul style="list-style-type: none"> • Social Impact Bonds • \$7M in upfront capital to the Foyer Central Program. <ul style="list-style-type: none"> • Cost savings to the NSW Government are circulated back to investors |
| <ul style="list-style-type: none"> • \$392M for accessible and effective mental health treatment services (2022-23 Budget) | | <p>Philanthropic Partnerships</p> <ul style="list-style-type: none"> • \$600K over 3 years to Foyer Foundation from principal partner AFG |

Sources: Australian and state government funding figures from official government policy documents, rounded up to the nearest million.



Methodology



General methodology notes

Input data and selection of comparison



Foyer data

- Foyer data was provided by 9 current accredited Foyers from 2019-2021.
- 2021 data has been used and compared to 2019 and 2020 data.
- This ensures consistency of outcomes and allows for the removal of outliers and errors in data.
- Foyer data reflects a cohort of 648 on entry and 624 on exit.

Comparison data

- The SHS cohort of young people presenting alone (a young person who does not present with family or other individuals) aged 15-19 has been selected as the comparison case for this study due to the similarities in age and gender proportions between the two cohorts.
- The cohorts differ on education, employment and housing rates on entry
- To adjust for these differences, the SHS data was adjusted to make the entry data comparable. The change between entry and exit reflects the true impact of the support services.

Lifetime benefits definition for NPV calc



40 years

- 40 years has been selected as the length of the benefit period as this period spans the majority of a young person's working life and is able to capture the cost to government while an individual is within the working age.

Discount rate



7%

- Treasury guidelines recommend a 7% discount rate when benefits are more easily monetised.¹
- Similar studies on homelessness by Taylor Fry (Pathways to Homelessness 2021) – used a discount rate of 1% (but didn't inflate values by 2.5%, so the implied discount rate would be 3.5%), and University of Melbourne who use a discount rate of 4%.
- Due to the nature of the benefits within this report, 7% has been selected as the discount rate.

Inflation rate assumption



2021 \$AUD

- Costs which have been reflected throughout this report have been adjusted to 2021 \$AUD.
- Lifetime benefits have been inflated over time using a 2.5% rate.

Payback period



4 years

- Pay back period refers to the number of years it takes for the accruing benefits to equal and then become greater than the cost.

Definitions of homelessness and other key terms

Key terms



SHS

- Specialist homelessness service(s) is assistance provided by a specialist homelessness agency to a client aimed at responding to or preventing homelessness.
- SHS are funded under the National Housing and Homelessness Agreement (NHHA).¹
- Data on SHS outcomes are reported to the Australian Institute of Health and Welfare (AIHW).

SHS modelled on Foyer entry

- To ensure accurate comparisons between Foyer and SHS outcomes, SHS entry data has been modelled based on the entry data from Foyer.
- The impact of SHS on individual outcomes is applied to the adjusted SHS entry data, using conditional probabilities for achieving particular outcomes.
- References to SHS outcomes use the SHS modelled on Foyer entry alternative data.

Foyer

- Foyers provide medium-term stable accommodation for up to 2 years, enabling young people in transition to develop and achieve educational and employment pathways, exiting in a sustainable way from welfare and service dependence.²

Advantaged Thinking

- Advantaged Thinking refers to the philosophy underpinning the Foyer model. It promotes young people's strengths and future aspirations, rather than defining them by their immediate needs.³

Definitions of homeless



SHS

- A person is experiencing homelessness if they are living in non-conventional accommodation (such as living on the street), or short-term or emergency accommodation (such as living temporarily with friends and relatives).⁴

ABS

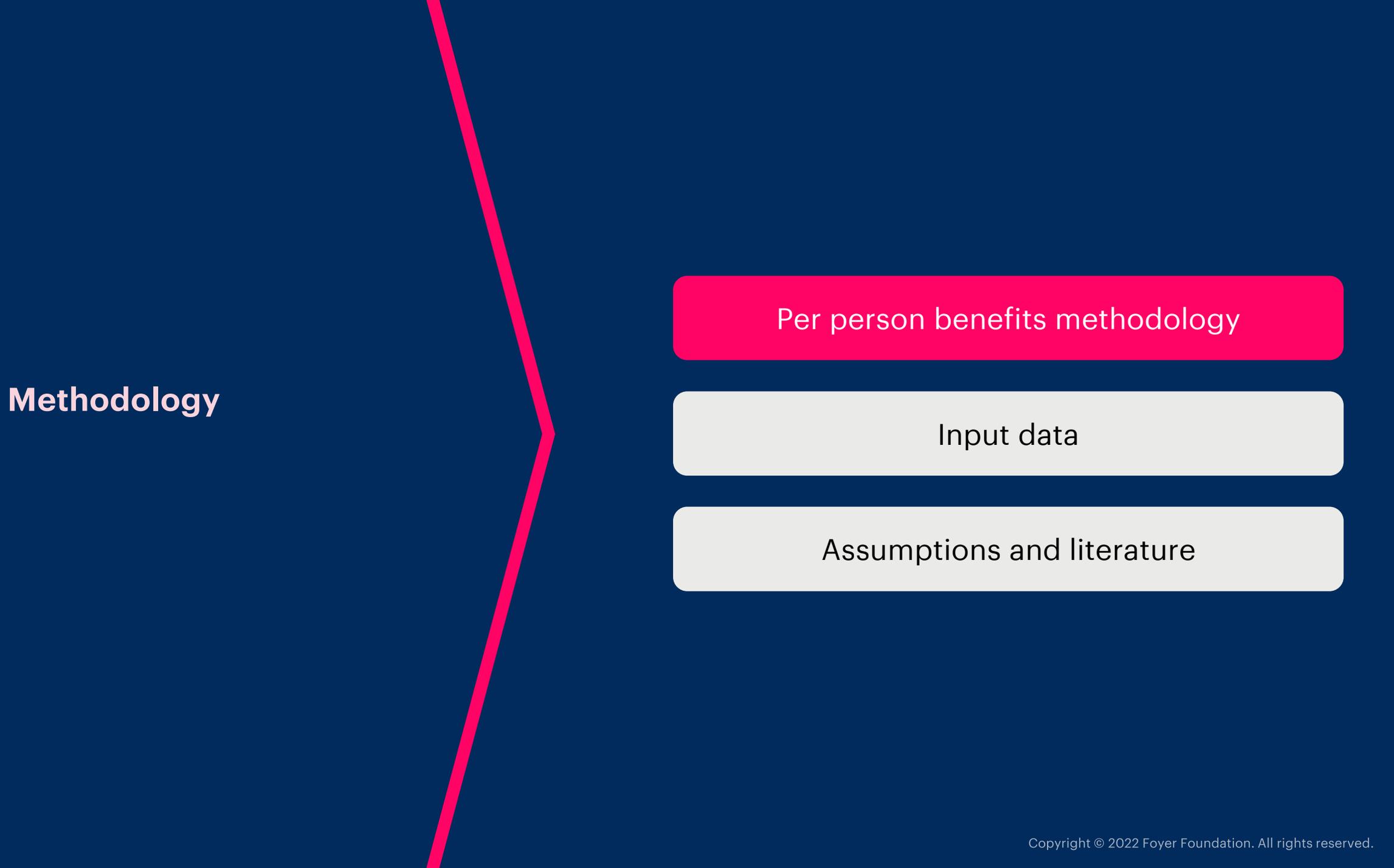
- When a person does not have suitable accommodation alternatives, they are considered homeless if their current living arrangement is in a dwelling that is inadequate; has no tenure, or if their initial tenure is short and not extendable; or does not allow them to have control of, and access to space for social relations.⁵

Foyer

- Foyer is a solution for young people without a place to stay safely and securely. Participants are aged 16-24, and are at risk of or are experiencing homelessness (i.e. have no stable housing).



Methodology



Per person benefits methodology

Input data

Assumptions and literature

Welfare costs to government are a weighted average per person

| | Cohort | Outcome | Proportion | | Lifetime welfare cost per person (NPV) | | Weighted average cost per person (NPV) |
|-------|---|------------|--|---|--|---|--|
| FOYER |  | Unemployed |  35% | × | \$325K | = | \$112,632 |
| | | Employed |  65% | × | \$0 | | |
| SHS |  | Unemployed |  49% | × | \$325K | = | \$159,962 |
| | | Employed |  51% | × | \$0 | | |

Note 1: Employed people are assumed to have welfare costs of zero. Discount rate is 7%, per Treasury guidelines. Inflation rate is assumed to be 2.5%.

Tax revenue to government is a weighted average per person

| Cohort | Outcome | Proportion | Lifetime per person (NPV) | | Weighted average of lifetime tax revenue per person (NPV) |
|--------|--|------------|---------------------------|--------|---|
| | | | Income | Tax | |
| FOYER | Employed with below Year 12 education attainment | 28% | \$424K | \$38K | = \$44,743 |
| | Employed with high school education | 20% | \$560K | \$68K | |
| | Employed with VET attainment | 9% | \$717K | \$110K | |
| | Employed with University attainment | 8% | \$794K | \$134K | |
| | Total employed | 65% | | | |
| SHS | Employed with below Year 12 education attainment | 18% | \$424K | \$38K | = \$36,324 |
| | Employed with high school education | 19% | \$560K | \$68K | |
| | Employed with VET attainment | 9% | \$717K | \$110K | |
| | Employed with University attainment | 5% | \$794K | \$133K | |
| | Total employed | 51% | | | |

This tax revenue is then subtracted from welfare costs to attain net welfare costs to government

Note: Outcomes are the proportion of people on exit of Foyer and SHS who are employed with a given level of education attainment. People who are unemployed on exit are assumed to contribute \$0 in tax revenue, and are included in the weighted average. Discount rate is 7%, per Treasury guidelines. Inflation rate is assumed to be 2.5%. Lifetime is 40 years.

Justice costs to government are a weighted average per person

| Cohort | Outcome | Proportion | Lifetime justice cost per person (NPV) | Weighted average cost per person (NPV) |
|--------|-------------------------------|------------|--|--|
| FOYER | Involvement in justice system | 1.6% | \$1.2M | =\$19,446 |
| | No involvement | 98.4% | \$0 | |
| SHS | Involvement in justice system | 4.5% | \$1.2M | =\$53,962 |
| | No involvement | 95.5% | \$0 | |

Note 1: Employed people are assumed to have welfare costs of zero. Discount rate is 7%, per Treasury guidelines. Inflation rate is assumed to be 2.5%.

Health costs to government are a weighted average per person

| | Cohort | Outcome | Proportion | | Lifetime health costs per person (NPV) | | Weighted average cost per person (NPV) |
|-------|---|------------------|--|---|--|---|--|
| FOYER |  | Stable housing |  80% | × | \$40K | = | \$70,568 |
| | | Unstable housing |  20% | × | \$191K | | |
| SHS |  | Stable housing |  62% | × | \$40K | = | \$97,804 |
| | | Unstable housing |  38% | × | \$191K | | |



Discount rate is 7%, per Treasury guidelines. Inflation rate is assumed to be 2.5%. Lifetime is 40 years.

Housing costs to government are a weighted average per person

| Cohort | Outcome | Proportion | Lifetime cost per person (NPV) | Weighted average cost per person (NPV) | |
|--------|-------------------------------------|------------|--------------------------------|--|-------------|
| FOYER | Unstable housing – persistent users | 11% | ✘ | \$275K | = \$55,641 |
| | Unstable housing – cyclic users | 9% | ✘ | \$159K | |
| | Social housing | 8% | ✘ | \$132K | |
| | Private housing | 72% | ✘ | \$0 | |
| SHS | Unstable housing – persistent users | 27% | ✘ | \$275K | = \$110,557 |
| | Unstable housing – cyclic users | 11% | ✘ | \$159K | |
| | Social housing | 14% | ✘ | \$132K | |
| | Private housing | 48% | ✘ | \$0 | |



Note: Discount rate is 7%, per Treasury guidelines. Inflation rate is assumed to be 2.5%. Lifetime is 40 years.

Methodology



Per person benefits methodology

Input data

Assumptions and literature

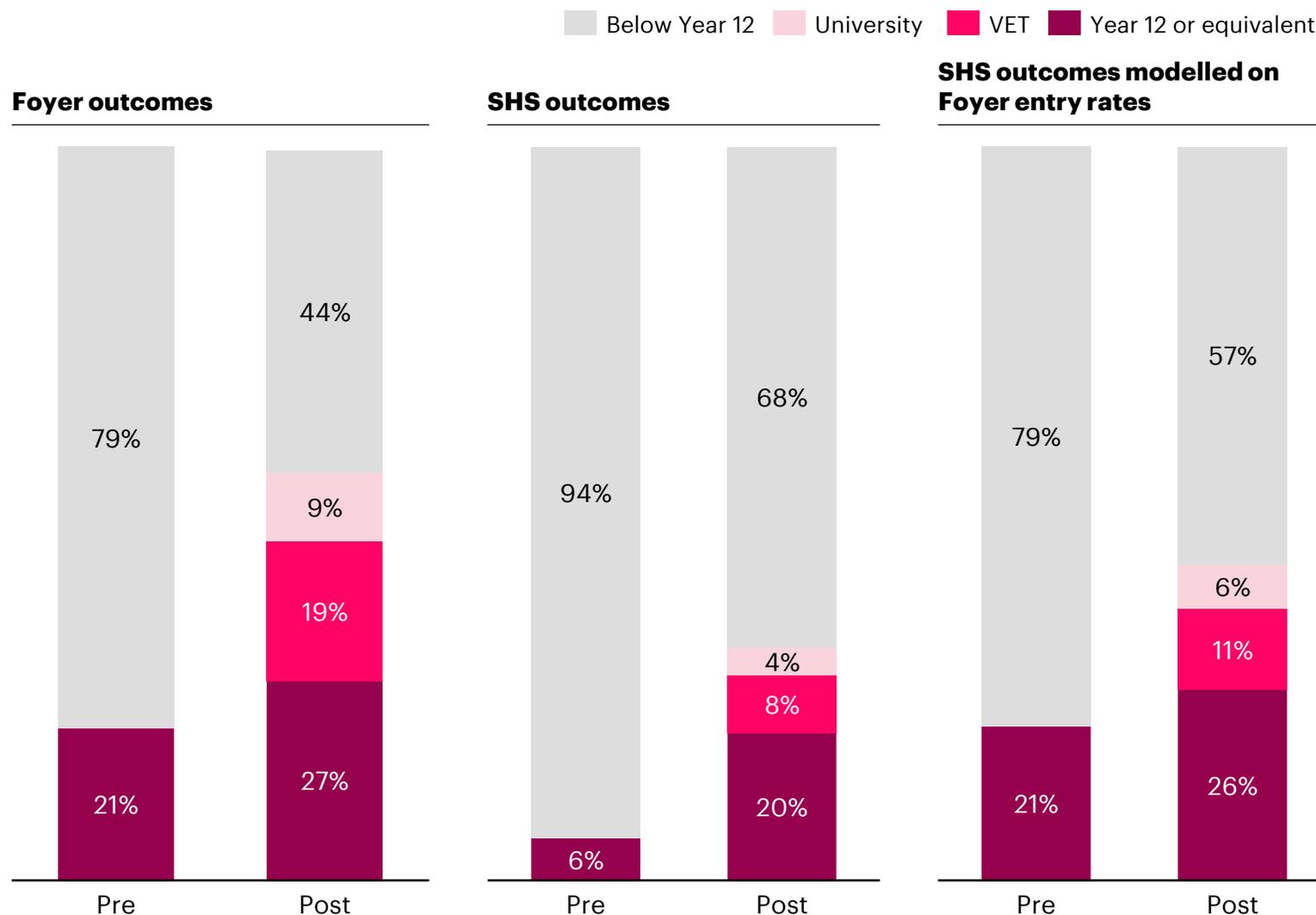
Enrolment data and pathways through education levels have informed completion rates of education

Available Foyer and SHS data provided education enrolment data. For the purposes of this study, enrolment data was used to estimate completion rates. Education completion rates reflect individuals who will complete education during or after their support through Foyer or SHS. The inclusion of benefits which occur after the end of the support period reflect the duration of VET and university courses being longer than the average support period through Foyer and SHS. Young people are likely to complete their education after exiting from support.

Education attainment data was used to inform the employment outcomes for young people in Foyer and SHS. Employment and education uplifts have accounted for potential overlap by analysing education and employment overlap data for young people 15-19 years old.

Education attainment outcomes pre and post for young people presenting alone to Foyer and SHS

% based on 2021 cohort average data



Source: ABS Census 2021; accredited Foyer data nationally for 2019-2021 (entry n= 648, exit n= 624); SHS Annual Report 2020-21 Young people presenting alone (n=41,700), subset to 15-19 year olds, Accenture analysis.



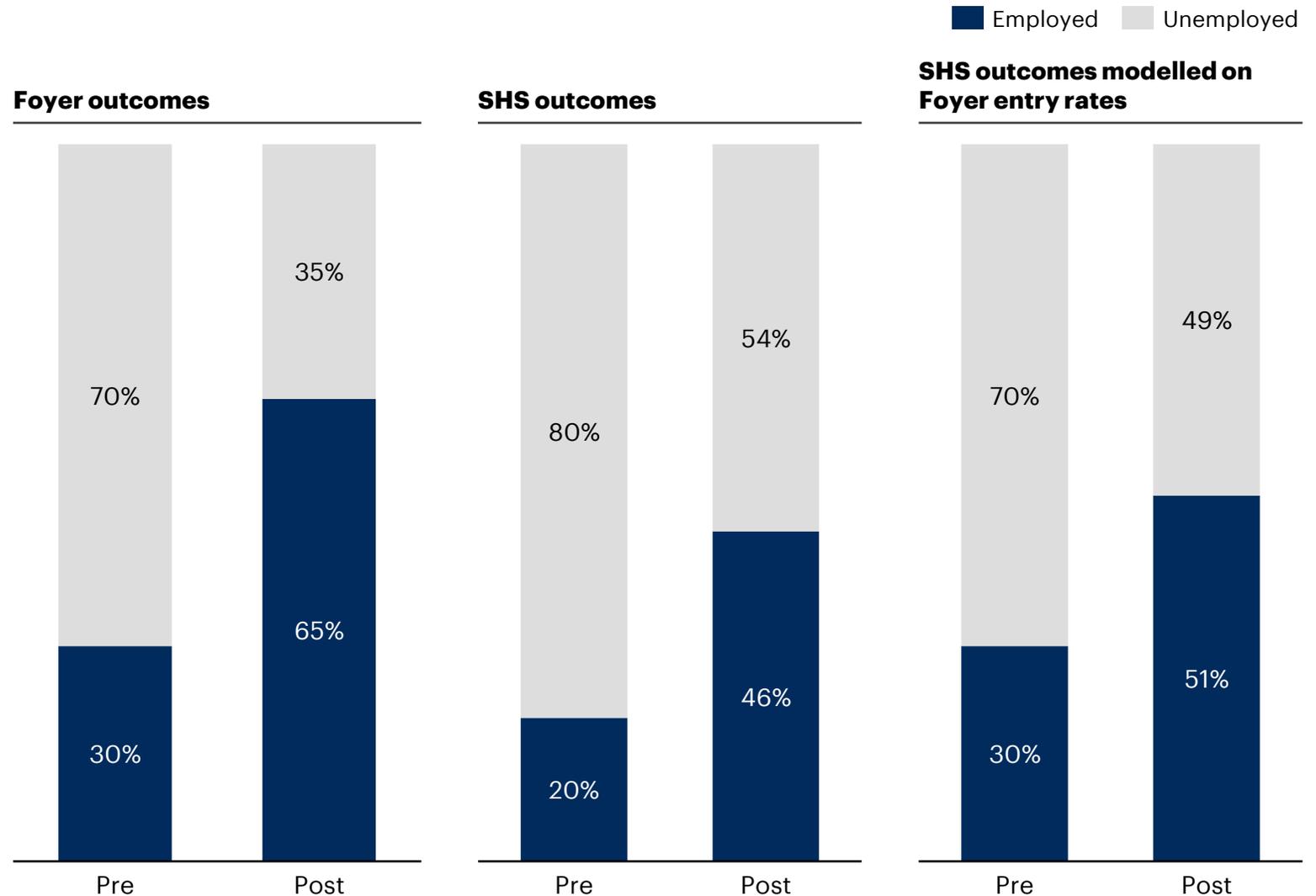
Employment outcomes were calculated based on completion rates of varying levels of education and the likelihood of employment based on this level of education

Employment outcomes have been calculated based on the highest level of education attainment data estimated in this study. Expected rates of progression through education levels and employment rates at each level of education attainment were accounted for within this analysis as well as a group who were identified to not be in education and training but were still employed.

Our employment outcomes post-Foyer are higher than previous EFY evaluations that reported 12-months post exit employment of 36%.¹ This is driven by our modelling taking into account employment post studies, that may have occurred after the 12 months period observable in the previous study. As the EFY study reported 75% obtained year 12 or higher upon exit, our employment rate of 65% as a post Foyer impact measure that takes into account employment post studies appears comparable.

Employment outcomes pre and post for young people presenting alone to Foyer and SHS

% based on 2021 cohort average data



Source: 1. [Coddou, Borlagdan and Mallett \(2019\)](#). ABS Census 2021; accredited Foyer data nationally for 2019-2021 (entry n= 648, exit n= 624); SHS Annual Report 2020-21 Young people presenting alone (n=41,700), subset to 15-19 year olds, Accenture analysis.



Foyer housing data on entry and exit was used alongside pathways through different housing types to calculate housing outcomes

SHS housing classifications:

- **Unstable housing:** couch surfing, crisis accommodation, transitional housing, caravan park, emergency accommodation, boarding house, night shelter and no tenure
- **Social housing:** includes public and community housing (renter and rent free)
- **Private housing:** renter and rent free

Those in unstable housing were classified into:

Persistent service users:

- 26.9% of children & young people who recorded at least one month of homelessness in 2020-21, were defined as persistently homeless clients.
- They were homeless for more than 7 months over a 24-month period (at least 30% of the time).
- 26% were also observed as long-term clients that needed SHS support over 10-years.

Cyclical service users:

- Cohort is engaged with SHS in some way over 3-4 years.

Previous EFY evaluations found 69% were in stable housing (living with own place (51%) and living with friends or relatives (18%)).¹

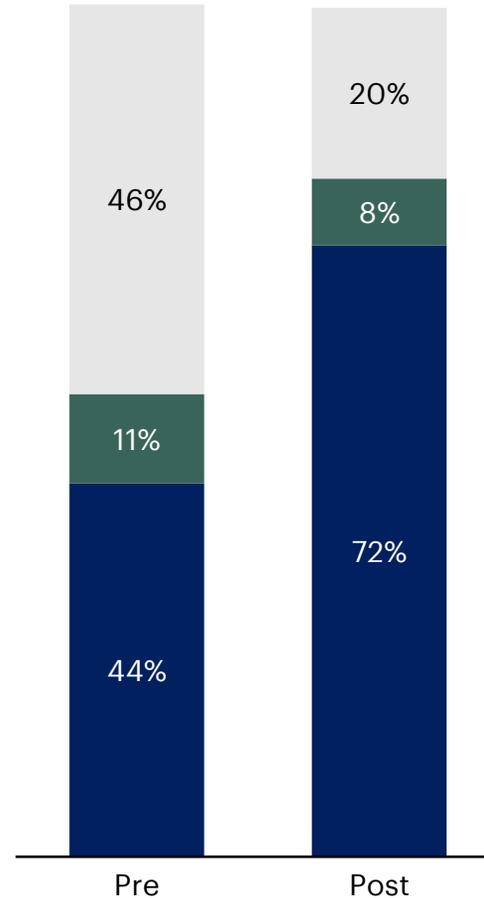


Housing outcomes on pre and post for Foyer and SHS young person presenting alone cohort

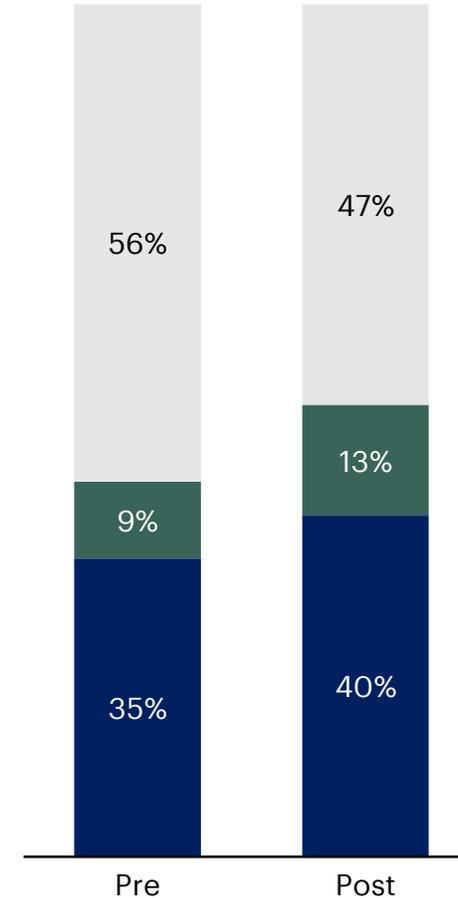
% based on 2021 cohort average data

Unstable Social Private

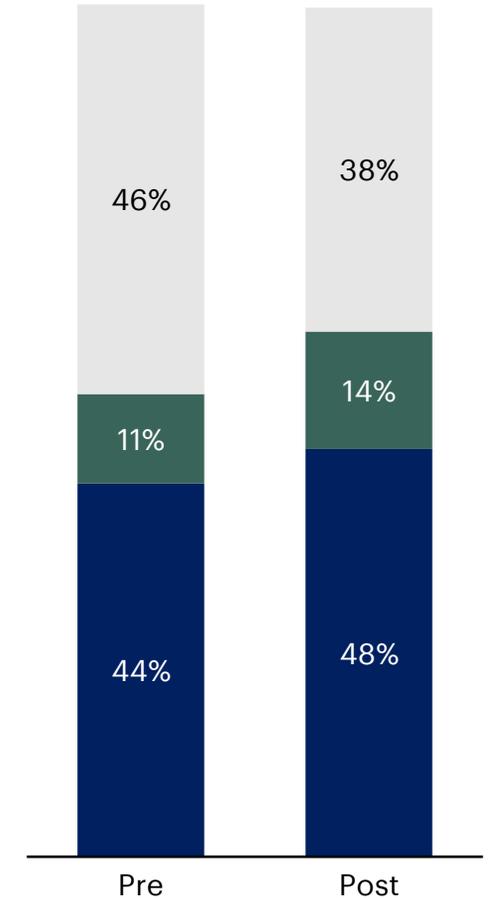
Foyer outcomes



SHS outcomes



SHS outcomes modelled on Foyer entry rates



Source: 1. [Coddou, Borlagdan and Mallett \(2019\)](#), ABS Census 2021; accredited Foyer data nationally for 2019-2021 (entry n= 648, exit n= 624); SHS Annual Report 2020-21 Young people presenting alone (n=41,700), subset to 15-19 year olds, Accenture analysis.

Requesting education assistance is used as a proxy for Foyer eligibility

Categories of young people presenting alone (YPPA) to SHS in 2020-2021.

From AIHW specialist homelessness services 2020-21 data tables

| |  Category |  Proportion of YPPA in 2020-2021 |  Number of YPPA in 2020-2021 |
|--|--|---|---|
|  Potential eligibility criteria | Currently enrolled in education | 29% | 10,719 |
| | Requesting assistance | | |
| | Educational assistance | 19.4% | 8,078 |
| | Training assistance | 12.5% | 5,211 |
| | Employment assistance | 17.3% | 7,212 |
| | Living skills/personal development | 34.4% | 14,347 |
|  Potential exclusion criteria | Living outside a major city | 39.4% | 16,558 |
| | Drug and alcohol counselling | 5.7% | 2,380 |
| | Assistance with challenging social/behavioural problems | 19.7% | 8,188 |

The proportion of YPPA requesting education assistance is used as a proxy for the proportion of YPPA who are Foyer eligible.

This is because Foyer participants must be motivated to pursue education as part of 'the Deal'.

If 19.4% of YPPA are Foyer eligible, and 50 Foyers support 1670 a year, then scaling up will support ~20% of the estimated Foyer-eligible cohort.

Methodology



Per person benefits methodology

Input data

Assumptions and literature

Assumptions driving welfare, taxation, justice and health cost estimates

| | Method | Assumptions | Notes | Source |
|-----------------|---|--|---|---|
| Welfare | Cost of welfare is the lifetime cost of NewStart payments for unemployed individuals. | <ul style="list-style-type: none"> • Employed individual receives no Australian Government welfare support. • Unemployed individual receives NewStart payments of \$668.40 per fortnight. • An individual estimated to be unemployed on exit from support will remain unemployed. | <ul style="list-style-type: none"> • This is a conservative welfare estimate as it is likely that an individual may receive other welfare payments alongside NewStart. • NewStart rate is payment for a single person with no children. | <ul style="list-style-type: none"> • Services Australia |
| Taxation | Tax based on income from being employed at highest level of education attainment. | <ul style="list-style-type: none"> • Income based on the average income for an individual's highest level of education attainment according to ABS Census 2021 data. • Lifetime income across 5-year age groups according to ABS Census 2021 data. | <ul style="list-style-type: none"> • Taxation is net against welfare to get the overall welfare cost to government. | <ul style="list-style-type: none"> • Australian Tax Office • ABS Census 2021 |
| Justice | Incidence of offending on exit multiplied by the general population justice cost. | <ul style="list-style-type: none"> • 4% of Foyer participants had prior involvement in the justice system (BSL) which reduced by 59.3% on exit (KPMG). • 3.94% of SHS participants had prior involvement in the justice system (AIHW) which increased by 14% on exit (KPMG). • Individual cost of \$63,833.60 per year. | <ul style="list-style-type: none"> • Chelsea Foyer (USA) saw incidence of jail stays on exit of 6.5% for Foyer and 16.4% for their comparison group. Foyer participants were 55% less likely to go to jail during their stay. • Justice cost based on the most expensive 5% of SHS participants (Taylor Fry). | <ul style="list-style-type: none"> • BSL (2019) • KPMG (2019) • AIHW (2022) • Taylor Fry (2021) • Chelsea Foyer (2016) |
| Health | Health costs are a function of housing status. | <ul style="list-style-type: none"> • Individuals in unstable housing have an annual health cost of \$10,231.27. • Individuals in stable housing are assumed here to have an annual health cost of \$2,118.43 (\$1,761 in 2011/21). • Assumes health costs are constant over an individual's lifetime to ~58 years of age. | <ul style="list-style-type: none"> • MacKenzie et al (2016) estimates health costs for a homeless youth is \$8,505 (\$2011/12). • Health costs for those in stable housing is assumed to be the cost of a young person who is unemployed given pre-existing health conditions are likely in this cohort. | <ul style="list-style-type: none"> • MacKenzie et al (2016) |



Assumptions driving the estimation of education attainment rates

| | Method | Assumptions | Notes | Source |
|-------------------------------|--|--|--|---|
| High school attainment | Completion rate of high school based on number enrolled in high school on entry | <ul style="list-style-type: none"> Attainment has been estimated based on SHS data for education enrollment on entry and exit. High school completion rate is assumed to be 83% for Foyer and 60% for SHS. | <ul style="list-style-type: none"> The difference in high school completion rate is driven by the differing levels of support provided within Foyer and SHS. 60% represents an estimated high school completion rate for low-socioeconomic students, compared to the population average of 83% (ABS, 2021). | <ul style="list-style-type: none"> ABS (2021) Census of Population and Housing, 2021, Tablebuilder Lamb et. Al (2017) |
| VET attainment | Completion rate of VET based on entry enrolments and estimated additional VET completion from high school completion | <ul style="list-style-type: none"> Progression rate from high school to VET is assumed to be 46.1%. Completion rate of VET is assumed to be 45.5%. | <ul style="list-style-type: none"> Given availability of completion data was limited, a consistent rate was applied to both groups. This is a conservative assumption, as it is unlikely that given the additional support provided in Foyer, that individuals in SHS complete VET at the same rate. | <ul style="list-style-type: none"> KPMG (2019) ABS (2021) Census of Population and Housing, 2021, TableBuilder |
| University attainment | Completion rate of university based on entry enrolments and estimated additional university completion from high school completion | <ul style="list-style-type: none"> Progression rate from high school to university is assumed to be 35%. Completion rate of a Bachelors is assumed to be 40.5%. | <ul style="list-style-type: none"> Given availability of completion data was limited, a consistent rate was applied to both groups. This is a conservative assumption, as it is unlikely that given the additional support provided in Foyer, that individuals in SHS complete University at the same rate. Universities Australia data has completion rates within 4 years at around 42%. | <ul style="list-style-type: none"> KPMG (2019) Universities Australia (2022) |

Assumptions driving estimations of employment rates

| | Method | Assumptions | Notes | Source |
|----------------------------------|--|--|---|--|
| High school completion | Employment for individuals whose highest level of education attainment is high school. | <ul style="list-style-type: none"> Rate of employment from high school completion is 74%, based on highest level of education attainment for people in unstable housing and labour force status. | <ul style="list-style-type: none"> 2016 Census data was used instead of 2021, as ABS has not yet coded 2021 data to allow an analysis of employment rates for people in unstable housing. Employment rates at each level of education remained stable across 2021 and 2016. | <ul style="list-style-type: none"> ABS 20216 Census of Population and Housing, 2016, TableBuilder |
| VET completion | Employment for individuals whose highest level of education attainment is VET. | <ul style="list-style-type: none"> Rate of employment from VET is 79%, based on ABS 2016 Census data on highest level of education attainment and labour force status of people in unstable housing. | <ul style="list-style-type: none"> Certificate III and IV education level has been assumed for calculations of income from employment after VET completion. | <ul style="list-style-type: none"> ABS 2016 Census of Population and Housing, 2016, TableBuilder |
| University completion | Employment for individuals whose highest level of education attainment is university. | <ul style="list-style-type: none"> Rate of employment from university is 86%, based on ABS 2016 Census data on highest level of education attainment and labour force status of people in unstable housing. | <ul style="list-style-type: none"> The income associated with the highest level of education attainment for a Bachelor level degree was used. | <ul style="list-style-type: none"> ABS 2016 Census of Population and Housing, 2016, TableBuilder |
| No high school completion | Employment for individuals who have not completed high school. | <ul style="list-style-type: none"> Rate of employment for someone who has not completed high school is 65% for Foyer, and 31% for SHS. 65% is the employment rate for people with below Year 12 education and in unstable housing. 31% is the employment rate of people with below Year 12 education and in supported accommodation for homelessness (a subset of unstable housing). | <ul style="list-style-type: none"> Different rates are used for Foyer and SHS due to Foyer's higher levels of employment support and independent living programs. For people with minimal education, we assume such support is the main driver of employment. | <ul style="list-style-type: none"> ABS 2016 Census of Population and Housing, 2016, TableBuilder |



Assumptions driving the estimation of housing costs

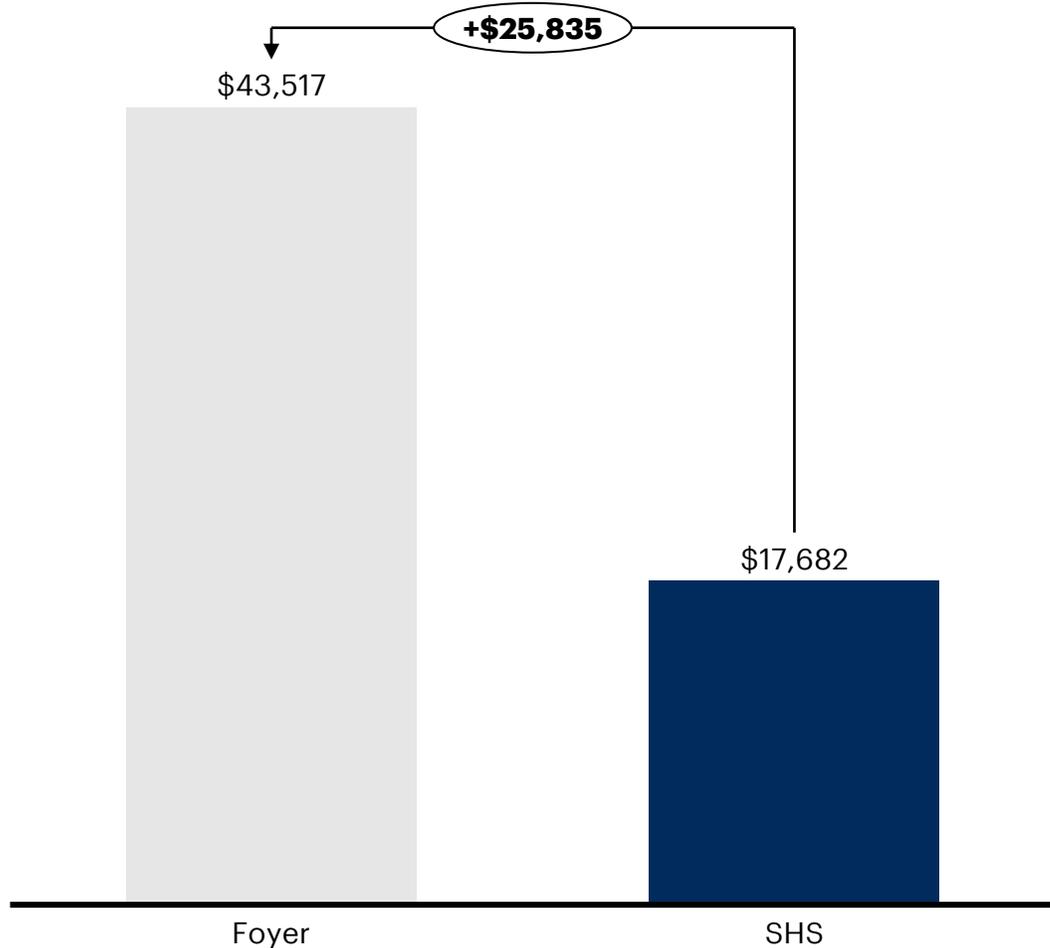
| | Method | Assumptions | Notes | Source |
|-------------------------|---|--|---|--|
| Unstable housing | Unstable housing costs for persistent service users who exit into unstable housing. | <ul style="list-style-type: none"> 26.9% of the cohort on exit from SHS will be persistent service users. Given additional supports provided through Foyer, there is a 50% reduction in persistent service users. Persistent service users are supported full-time and cost \$14,735.05 per year. Cost has been estimated based on cost per day of SHS support (\$40.37 per day). | <ul style="list-style-type: none"> While the cohort is unlikely to be supported in SHS full-time, they likely cycle between instances of no-shelter, high-cost emergency shelter and forms of social or community housing. Due to limited data, the average daily cost of SHS support has been used as a proxy for the level of cost of supporting this group over a year. | <ul style="list-style-type: none"> Productivity Commission AIHW NHHA Indicators (2022) (note: AIHW Young clients presenting alone cites 27.6% supported over a 10-year period) |
| Unstable housing | Unstable housing costs for individuals cycling through support services who exit into unstable housing. | <ul style="list-style-type: none"> Remainder of individuals who exit support services into unstable housing are assumed to be supported 60 days a year by SHS (median length of support from SHS for young people presenting alone). Other 305 days in a year they are supported through social housing. After four years, they transition into social housing. | <ul style="list-style-type: none"> Cohort is engaged with SHS in some way over 3-4 years. Limitations on data related to the housing status when a young person is not supported by SHS led to assumption that this cohort would be supported in social housing and SHS crisis accommodation part of the time. | <ul style="list-style-type: none"> AIHW (2021). |
| Social housing | Social housing cost for an individual who exits into social housing. | <ul style="list-style-type: none"> Annual cost of social housing is assumed to be \$8,291 based on state and territory recurrent expenditure on social housing in 2020/21 and estimated number of social housing occupants in 2020/21 of 790,000. An individual exiting a supported housing service has an 85% retention rate of this social housing tenancy over their lifetime. | <ul style="list-style-type: none"> Social housing is considered stable housing in this study but does incur a cost to government so is counted in the cost of housing. | <ul style="list-style-type: none"> Productivity Commission (2022) AIHW 2021 AHURI 2022 |



On average, Foyers cost \$25,835 more per person than SHS

Operating costs of Foyer compared to benchmark (SHS)

Per Person, \$AUD, 2021, Net Present Value (NPV)



| Methodology | |
|---|--|
| Foyer operating costs per person | |
| Total operating cost of Foyer | ÷ |
| Data supplied by Foyer | |
| | Number of clients of Foyer |
| | Number of beds / median length of stay |
| SHS operating costs per person | |
| Average daily cost of SHS per person | × |
| \$40.37 From Productivity Commission | |
| | Support period (days) |
| | 438 Days From KPMG (2019) |

Note: This cost estimate for SHS is consistent with other estimates for the average cost of support and/or accommodation in an SHS program which was given as \$15,000 in a 2016 study by MacKenzie et al. on the Cost of Youth Homelessness in Australia.



The total number of people served by 50 Foyers in a year is 1,667, which is 1,298 more than in 2022.

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|
| Number of Foyers | 11 | 20 | 24 | 29 | 33 | 37 | 41 | 46 | 50 |
| Number of People p.a | 368 | 558 | 810 | 952 | 1095 | 1238 | 1381 | 1524 | 1667 |
| Cumulative Total of People | 368 | 927 | 1736 | 2688 | 3784 | 5022 | 6403 | 7926 | 9593 |
| Total of people by 2040 (from 2022) | 6998 | 10415 | 14688 | 16974 | 19117 | 21117 | 22974 | 24688 | 26260 |
| Extra number of Foyers compared to 2022 | | 9 | 13 | 18 | 22 | 26 | 30 | 35 | 39 |
| Extra capacity to support people compared to 2022 | | 190 | 441 | 584 | 727 | 870 | 1013 | 1155 | 1298 |
| Cumulative extra people since 2022 | | 190 | 631 | 1215 | 1942 | 2812 | 3824 | 4980 | 6278 |
| Extra impact from scale up by 2040 | | 3417 | 7690 | 9976 | 12119 | 14119 | 15976 | 17690 | 19262 |

| Inputs | Value | Assumptions |
|-----------------------------------|---|--|
| No. of Foyers built a year | 4.285 | <ul style="list-style-type: none"> To get to 50 Foyers by 2030, there needs to be 4.3 Foyers built a year from 2023. This is assuming there are 20 Foyers in 2023, based on data supplied to Accenture by the Foyer Foundation. We assume expansion of Foyers is linear from 2023 to 2030. |
| People per Foyer | 33.33 | <ul style="list-style-type: none"> Beds = 40 (Average number of beds from Foyers surveyed) Median Length of Stay = 1.2 years Therefore people per Foyer, per year = 40/1.2 = 33.33 Number of People in Foyers p.a = 33.33*Number of Foyers |
| Total of people by 2040 | (Cumulative Total of People to given year) + [(No. of People p.a) X (Years until 2040)} | <ul style="list-style-type: none"> This gives the number of young people who would go through Foyer by 2040, assuming new Foyers stopped being built in that given year. E.g, if no new Foyers were built after 2026, the cumulative total of people through Foyers by 2026 is 3784, and by 2040 it is 19117. The 2022 totals are then subtracted from these figures to get the 'extra' number of people supported. |



Expanding to 50 Foyers will bring cost savings of \$950M to Government by 2030, and \$2.9B by 2040

| | Annual in 2030 | Cumulative from 2022-2030 | Cumulative from 2022-2040 |
|---|----------------|---------------------------|---------------------------|
| Total Cost Savings to Government of 50 Foyers | \$223,854,980 | \$1,082,463,830 | \$3,321,013,629 |
| Operating costs of 50 Foyers (net of SHS) | \$27,530,060 | \$133,123,212 | \$408,423,810 |
| Net Cost Savings to Government of 50 Foyers | \$196,324,920 | \$949,340,618 | \$2,912,589,819 |

| | Input | Values and assumptions |
|--|---|---|
| Total cost savings to government of 50 Foyers | Per person lifetime cost savings of Foyer | <ul style="list-style-type: none"> = \$172,417 See previous method pages for calculating cost savings of Foyers relative to SHS, according to health, welfare, justice and housing categories. |
| | Number of extra people in 50 Foyers | <ul style="list-style-type: none"> Annual =1298, Cumulative 2022-2030 = 6278, Cumulative 2022-2050=19262 (See previous page for method) <ul style="list-style-type: none"> Annual Cost Savings to Government of 50 Foyers in 2030 = \$172,417 X 1298 = \$223,854,980 Cumulative Cost Savings to Government of 50 Foyers from 2022-2030 = 6278 X \$172,417 = \$1,082,463,830 Cumulative Cost Savings to Government of 50 Foyers from 2022-2040= 19262 X \$172,417 = \$3,321,013,629 |
| Operating costs of 50 Foyers | Per person operating costs of foyer – per person operating cost of SHS | <ul style="list-style-type: none"> = \$25,835.20 See previous method pages on operating costs of Foyer and SHS. Inflation assumed to be 2.5% |
| | Number of extra people in 50 Foyers | <ul style="list-style-type: none"> = 1298 (See previous page for method). 1298 X \$25,835.20 = \$27,530,060 Cumulative costs from 2022-2030 = 6278 X \$25,835.20 = \$133,123,212 For Cumulative costs from 2022-2040 = 19262 X \$25,835.20 = \$408,423,810 |



The benefit analysis of Foyers is comparable to similar program evaluation studies

| Study | Overview | Importance for Foyer Analysis | Source |
|--|--|---|--|
| Aspire Social Impact Bond, 2021 | <p>Aspire Program is a 'housing first' intensive case management program that supports each participant for three years.</p> <p>A \$9 million Aspire Social Impact Bond will fund the program, which will work with up to 600 homeless individuals over four years. This amounts to investment of \$3,750 per person, per year.</p> <p>The program has generated total SA Government savings of \$13.38 million over the four years to 30 June 2021, roughly \$5,757 per person, per year.</p> | <p>BCR: \$5,750/\$3,750 = \$1.50</p> <ul style="list-style-type: none"> This only includes avoided health, justice and crisis accommodation costs, and participants were not exclusively young people <hr/> <ul style="list-style-type: none"> Health cost savings were measured using avoided days in hospital Justice cost saving were measured using avoided convictions Housing costs savings were measured using avoided stays in crisis accommodation. | <p>Overview</p> <p>Investor Report 2020-2021</p> |
| Mission Australia, Triple Care Farm, 2015 | <p>Triple Care Farm (TCF) is a Mission Australia residential Alcohol and Other Drugs (AOD) rehabilitation and treatment program for young people aged between 16 and 24 years.</p> <p>\$39.5M in social value was generated, compared with the \$13.5m investment, over FY09-13</p> <p>Benefits to government:</p> <ul style="list-style-type: none"> 30% of this value accrues to Government, mostly in avoided justice costs <p>Benefits to the individual:</p> <ul style="list-style-type: none"> 63% of total value accrues directly to young people <ul style="list-style-type: none"> 37.5% of this is attributable to outcomes relating to improvements in their health and wellbeing | <p>BCR: =\$2.90</p> <ul style="list-style-type: none"> Sensitivity range: \$1.70 - \$3.40 <hr/> <p>Total per person benefits, for 1 year:</p> <ul style="list-style-type: none"> =\$27K <ul style="list-style-type: none"> \$9k per person, per year to Government <ul style="list-style-type: none"> \$6k in avoided justice costs (measured by avoided detention) \$18k per person, per year to individual <ul style="list-style-type: none"> \$6,750 in health benefits | <p>Triple Care Farm: Baseline Social Return on Investment</p> |



The benefit analysis of Foyers is comparable to similar program evaluation studies

| Study | Overview | Importance for Foyer Analysis | Links |
|--|--|---|--|
| MacKenzie et al, 2016, The Cost of Youth Homelessness in Australia | <p>Health Costs of Young People Experiencing Homelessness</p> <ul style="list-style-type: none"> • \$8,505 per person, per year <ul style="list-style-type: none"> – OR \$355m for all young people (14-25) accessing SHS <p>Justice Costs:</p> <ul style="list-style-type: none"> • \$9,363 per person per year <ul style="list-style-type: none"> – OR \$391M for all young people accessing SHS | <p>Total Health and Justice Costs = \$17,868</p> <ul style="list-style-type: none"> • Does not include lifetime impact of early school leaving and low engagement with employment | The Cost of Youth Homelessness in Australia |
| University of Melbourne, The Case of Investing in Last Resort Housing, 2017 | <p>Last Resort Housing</p> <ul style="list-style-type: none"> • Refers to legal rooming and boarding houses, and emergency accommodation <p>Cost savings to government, per person of Last Resort Housing:</p> <ul style="list-style-type: none"> • \$25,615 <ul style="list-style-type: none"> – Health: \$8,420 – Reduced Crime: \$6,182 – Individual Costs: \$6,500 – Improved Human Capital: \$4,236 | <p>BCR for "Last Resort" housing</p> <ul style="list-style-type: none"> • \$2.70 <p>Relative size of health and justice cost savings:</p> <ul style="list-style-type: none"> • Health 1.34 times larger than justice <p>Economies of scale: study argues providing 50 beds was 50% more efficient per bed than providing 10 in a smaller facility</p> | The Case of Investing in Last Resort Housing |
| For Change Co, 2021, Social Ventures Australia analysis | <p>For Change Co. is a social enterprise that works with young people at risk of, or experiencing homelessness</p> <ul style="list-style-type: none"> • Supports them to learn hospitality skills and gain work experience | <p>Estimated reduction in welfare Costs:</p> <ul style="list-style-type: none"> • Estimated between \$476,000 – \$784,000 in 2021 - 2022 <ul style="list-style-type: none"> – Per person, per year: \$26,000 - \$36,000 | Social Ventures Australia analysis |



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