



Australian Government



ABORIGINAL
HOSTELS LIMITED


Social and Economic Impact Report

Aboriginal Hostels Limited (AHL)

Developed by Nous Group

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Aboriginal Hostels Limited

AHL Impact Report

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First Nations people are advised that this publication may contain images or references to people who have passed away.

ACKNOWLEDGEMENT

Aboriginal Hostels Limited acknowledges the Traditional Owners and custodians of Country throughout Australia and recognises their continuing connection to land, waters and community. We pay our respects to Elders past and present.



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1 Executive summary

Aboriginal Hostels Limited (AHL) is in a unique position to accelerate Closing the Gap progress through its delivery of culturally safe accommodation and food services to First Nations people

Established in 1973, AHL is a not-for-profit company wholly owned by the Australian Government that has provided affordable and culturally safe accommodation for First Nations people for over 50 years. As at the 2023–24 financial year (2023–24), it operates 42 hostels in 6 states and territories, supporting over 18,000 people annually to access a culturally safe and physically secure place to stay, as well as a dietitian-designed meal service. AHL operates in areas of community need – where there is limited access to affordable, culturally safe accommodation. AHL charges residents an affordable tariff to stay at hostels, with the amount pegged at 60 to 70 per cent of a single person JobSeeker and Rent Assistance payment to ensure sustained affordability.

AHL is more than just an accommodation provider – it is a gateway enabling residents to travel away from home to access a range of services, including crucial medical care, education and employment opportunities. For First Nations people living in regional and remote areas, where access to essential and enabling services is often limited, travelling away from home is often the only choice. This can lead to the challenge of finding suitable accommodation and access to food, managing social dislocation and separation from family, and navigating unfamiliar locations, cultures and systems. AHL provides an affordable, accessible and culturally safe space where residents feel supported and empowered.

'The subsidised tariff [between \$36 and \$65 per night] benefits our people greatly due to high cost of living. Our people travel inter-island to access Thursday Island as our main hub island for medical purposes, access to the bank, Services Australia, TAFE etc. – other motels on the island charge close to \$300 per night.'

– Hostel Manager, Jumula Dubbins Hostel (Thursday Island).

AHL also provides critical accommodation to people experiencing crisis or transitional homelessness, people who are escaping Domestic and Family Violence (DFV), and people who are transitioning from prison or from the out-of-home care (OOHC) system. Many AHL hostels operate in areas where there are limited alternative accommodation services available, and in the cases where other services are present, they are routinely at capacity. For many residents, the alternative to AHL is sleeping rough, staying in town

camps and/or in overcrowded housing. For First Nations people experiencing crisis, transition or uncertainty, AHL provides culturally safe and affordable accommodation to help reduce harm and promote positive outcomes.

Cultural safety is a critical and distinctive component of AHL's offering to residents. It is achieved through several intentional measures, including the exclusive use of hostels by First Nations people; ensuring staff understand First Nations residents; embedding genuine respect in all of AHL's services; and ensuring facilities, food service, locations and hospitality are culturally appropriate. In AHL's 2023 AHL Resident Survey, 89 per cent of respondents reported that AHL had supported their cultural wellbeing. By creating a culturally safe space, AHL is better able to support its residents address inequities by helping them access key services successfully and providing a secure foundation to build from as they seek out external supports and opportunities.

Culturally safe and affordable accommodation is a key enabler of Closing the Gap progression

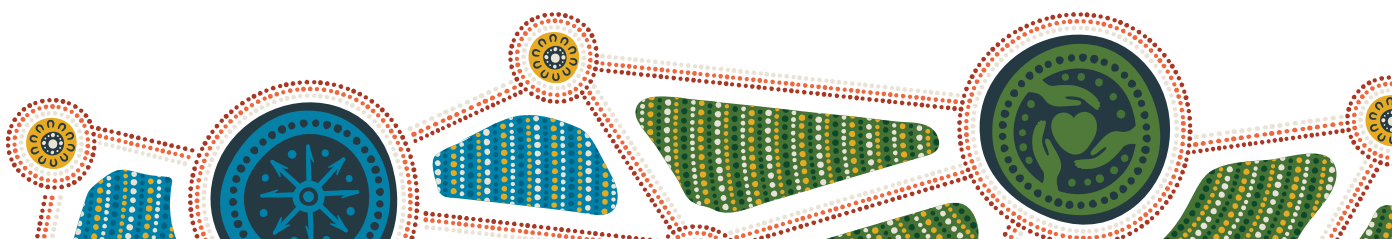
While Australia presently faces a national housing crisis, with limited availability of affordable rental properties across the country, this is felt even more acutely by First Nations people. This not only undermines progress made towards Closing the Gap Targets 9A and 9B (relating to housing) but across the majority of target areas, where safe and secure accommodation is a determinant of a range of positive health, social and economic outcomes.¹

First Nations people often face a 'revolving door' of housing and homelessness, due to a range of factors including inadequate funding for homelessness services, limited crisis and transitional accommodation, the shortage of affordable housing, barriers to housing access and inadequate attention to tenancy sustainment. First Nations people are disproportionately affected by other barriers, including lower income levels, lack of tenancy history or problematic housing history, previous criminal history and lower levels of literacy². Many of these barriers are cyclical in that they both hinder First Nations people from securing stable housing and are caused or exacerbated by a lack of stable accommodation.

This context underscores the role that AHL plays in enabling First Nations people to get access to short term, safe and affordable accommodation. An indicator of this need is the strong demand for AHL's short term accommodation and food services nationally, with a national occupancy rate of 80 per cent in 2023–24

¹ The Department of the Prime Minister and Cabinet, Closing the Gap Targets and Outcomes, accessed 9 October 2024
<https://www.closingthegap.gov.au/national-agreement/targets>

² Australian Housing and Urban Research Institute (AHURI), Indigenous homelessness is distinct and requires culturally appropriate responses, 11 August 2022.
<https://www.ahuri.edu.au/analysis/news/indigenous-homelessness-distinct-and-requires-culturally-appropriate-responses>



(against a target of 72 per cent). It also highlights that many of AHL's residents will not have many viable alternatives, with other short term accommodation options difficult to access in a tight rental market.

This report assesses AHL's contribution to Closing the Gap and its social and economic impact

This report assesses the social and economic impact that AHL creates, with a focus on the direct benefits for residents and the savings for its funders. AHL engaged Nous Group (Nous) to conduct an analysis of the social and economic impact of AHL's hostels and services.

The approach to estimating the impact of the services that AHL provides is in line with the cost-benefit analysis framework produced by the Department of Prime Minister and Cabinet's Office of Impact Analysis. Adapted from Boardman et al (2010). The model carefully accounts for the fact that AHL will often not be the direct provider of the benefiting service in question (e.g. renal dialysis, which is delivered by hospitals and other medical services) – it is more accurately an enabling factor, assisting residents to access the service by providing secure, culturally safe accommodation. As such, the model considers both:

- The proportion of residents who would not have had access to viable alternative accommodation without AHL (calculated for each benefit area).
- The level of attribution/contribution appropriate for AHL in relation to the benefit, where relevant.

To complete the model Nous drew on: 10 interviews and engagements with AHL staff and stakeholders; 71 survey responses; 16 datasets; and 23 pieces of peer reviewed or grey literature. The findings are presented in the summary below.

1.1 Findings

1. AHL delivers significant improvements to Closing the Gap outcomes across Australia

AHL's contributions spread across a range of benefit areas, including:

- **Health and medical outcomes** | Residents typically travel to and stay at AHL to access a range of vital health services, including renal dialysis treatment; antenatal or post-natal care for mothers and babies; and a range of other services. Many AHL hostels are strategically located near to and even on the grounds of hospitals and other medical facilities. In addition,

AHL's food service offering is critical for health and nutrition, providing each resident with access to 3 meals per day. Access to affordable, nutritious food is a challenge for many residents and carries particular risks for many medical residents (e.g. renal dialysis patients). The culturally safe, dietitian-designed food service helps ensure residents' health and wellbeing during their stay.

- **Education and employment opportunities** | AHL provides important pathways for secondary and tertiary education students in communities across Australia to access education. In the case of AHL's secondary school students, many come from communities that do not have secondary schools available locally. AHL not only provides a gateway to education, but also provides connections to other services (including health and wellbeing services and leadership programs), opportunities to strengthen connection to culture and community (e.g. through yarning circles and presentations from community leaders) as well as pastoral care and mentorship. In terms of employment outcomes, many residents use AHL as accommodation when they are required to travel for a new job, or if they have relocated in order to seek employment. In addition, AHL creates employment pathways for First Nations people, with First Nations employees making up over 44 per cent of AHL's total workforce³. Many of these employees began their journey as AHL residents.
- **Safe accommodation** | AHL can provide a physically secure and culturally safe place to stay for First Nations people experiencing crisis, transition or uncertainty – often driven by homelessness, domestic and family violence, or transitioning from prison or OOH. AHL does not directly deliver the specialist support or wrap-around services to address the causal challenges in residents' lives, however it provides the immediate security of accommodation and meals, providing residents a greater opportunity to access external support. The availability of physically secure and culturally safe accommodation is also critical in reducing the negative consequences of rough sleeping and overcrowding, as well as reducing the likelihood of domestic and family violence, recidivism and interactions with the health and justice systems.

Figure 1 provides an overview of the incremental impact AHL's services are having on First Nations people. Please note the tilde symbol (~) has been used in this section and throughout the report to indicate a rounded figure.



Figure 1 | AHL contributions to Closing the Gap outcomes 2023–24



HEALTH AND MEDICAL

MONETARY BENEFIT

\$326 MILLION

ACCOMMODATION TO SUPPORT

- ✓ Improved health
- ✓ Improved nutrition

NON-MONETARY BENEFIT

6.5 YEARS

of additional life expectancy on average per resident accessing renal dialysis treatment

~2,200

residents accessing renal dialysis treatment

~9,500

people accessing medical care who may not have otherwise

~3,300

mothers accessing antenatal care, reducing the likelihood of a low-birthweight birth

~1.3 MILLION

dietitian-designed meals delivered each year for residents

CLOSING THE GAP OUTCOME AREA

- 1 - Everyone enjoys long and healthy lives
- 2 - Children are born healthy and strong



EMPLOYMENT AND EDUCATION

MONETARY BENEFIT

\$3.2 MILLION

ACCOMMODATION TO SUPPORT

- ✓ Access to education
- ✓ Access to employment opportunities

NON-MONETARY BENEFIT

SUPPORTING

~300

people to access education (including 132 secondary education students)

SUPPORTING

~50

residents who were otherwise unemployed to access employment or attain better employment opportunities

EMPLOYING

139

First Nations employees (44 per cent of the total AHL workforce)

CLOSING THE GAP OUTCOME AREA

- 5 - Students achieve their full learning potential
- 7 - Youth are engaged in employment or education
- 8 - Strong economic participation and development of people and their communities



SAFE ACCOMMODATION

MONETARY BENEFIT

\$27.5 MILLION

ACCOMMODATION TO SUPPORT

- ✓ Avoided homelessness
- ✓ Effective transition from prison
- ✓ Reduced DFV
- ✓ Effective transition from OOHC
- ✓ Access to culturally safe accommodation for general travel

NON-MONETARY BENEFIT

~260,000

hostel bed nights avoiding rough sleeping or overcrowded housing

~350

residents who without AHL may not have had access to safe accommodation to escape DFV

~50

residents who had lower likelihood of recidivism and re-incarceration by accessing suitable accommodation upon release from prison

CLOSING THE GAP OUTCOME AREA

- 9 - People secure appropriate, affordable housing aligned with their priorities and needs
- 10 - Adults are not over-represented in the criminal justice system
- 11 - Young people are not over-represented in the criminal justice system
- 12 - Children are not over-represented in the child protection system
- 13 - Families and households are safe

4 Calculated by reference to the estimated 15,000 additional disability adjusted life years (DALYs) accrued to 2,200 residents staying at AHL in order to access renal dialysis treatment.



2. AHL creates \$5.19 of value for every \$1 invested, translating to a \$356.7 million benefit in 2023–24

AHL has created a significant benefit to its residents, state and territory governments and the Australian Government.

Residents receive a \$198 million direct benefit from AHL in 2023–24, primarily through improved health outcomes, uplift in income, and an improved life satisfaction. This includes improved health outcomes from renal dialysis (accounting for \$177.8 million) and avoiding DFV (a benefit of \$5.3 million) increased income from education and employment opportunities (a benefit of \$2.4 million), and increased life satisfaction from avoiding overcrowding (a benefit of \$7.2 million). Residents receive a larger amount of the benefit (~53 per cent), compared to their contributions to AHL through tariffs (~26 per cent).

The state and territory governments across Australia receive a \$92 million benefit through the avoided costs to their health and justice systems in 2023–24. Avoided costs to health are the core driver of benefits accruing to state and territory governments, reflective of the large number of AHL medical hostel bed nights (96,000 bed nights in 2023–24) that would otherwise result in an occupied hospital bed night (a benefit of ~\$139.6 million). In addition to health, AHL supports people to get access to safe accommodation (a benefit of \$9.4 million). Despite contributing \$2.6 million of total funding, state and territory governments accrue ~27 per cent of the total benefit of AHL.

The Australian Government receives \$60 million in benefits through AHL in 2023–24, for an investment of \$44.1 million. These benefits are largely driven by the avoided hospital bed nights, of which the Australian Government funds 42 per cent on average across the country. The Australian Government accrues a modest increase in tax income through AHL, but this is much smaller in scale compared to health benefits. Despite receiving a smaller share of the benefits compared to residents and state and territory governments, the Australian Government still receives a positive return on its investment – a benefit cost ratio (BCR) of 1.34 for Australian Government beneficiaries in 2023–24.

Figure 2 | Present value benefits and costs by funders and beneficiaries, 2023–24⁵

	RESIDENTS	S&T GOV.	AUSTRALIAN GOV.
PV Benefit	~\$198m	~\$92m	~\$60m
PV Costs	~\$18m	~\$3m	~\$44m

3. Health benefits are the primary drivers of benefits, saving \$140 million in avoided hospital bed nights and \$178 million in direct patient benefits

Health is the largest contributor to AHL’s total benefits. This is reflective of the large number of AHL medical hostel bed nights that would otherwise result in a hospital bed night (a benefit of \$139.6 million in 2023–24), and the significant health benefits accruing from residents accessing renal dialysis treatment (\$177.8 million in 2023–24). Cumulatively, these 2 benefits account for 86 per cent of the total benefit identified for AHL. Nutritional meals tailored to residents’ dietary requirements are also reported to prevent/reduce the need for further treatment, including re-hospitalisation (accounting for \$1.9 million of benefits in 2023–24).

⁵ NB an additional \$7 million benefit accrues to private hospitals and other non-government entities through avoided health system costs, however these are not included in the breakdown of beneficiaries, as they have little direct involvement with AHL and its residents



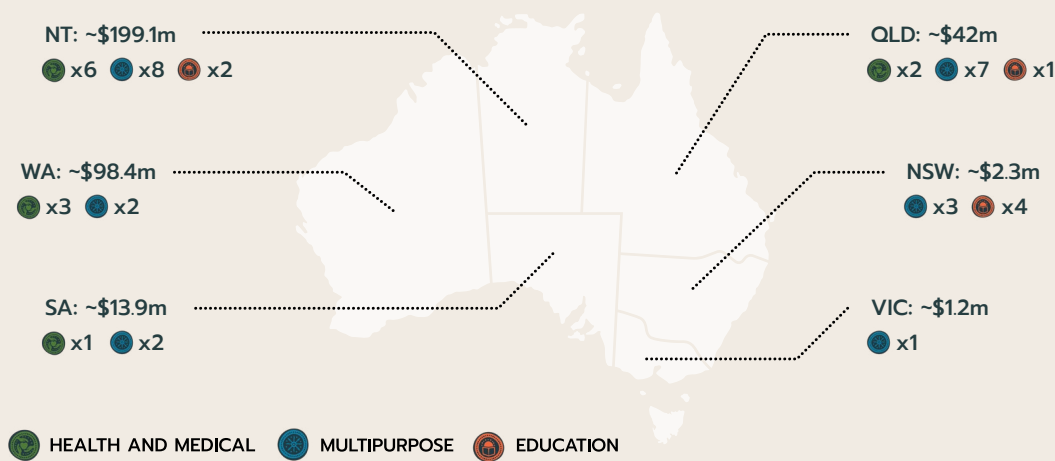
4. With health stripped out AHL still creates a positive BCR across education, employment and safe accommodation

Avoiding homelessness, transitioning from prison, and escaping DFV are the next largest contributors. Avoided specialist homelessness services (SHS) interactions (\$2.4 million), reduced rates of reoffending (\$9.1 million), and improved health from avoiding instances of DFV (\$5.3 million) are the next largest benefits in 2023–24. These are smaller in comparison to health benefits, as there are less people accessing AHL for these explicit reasons, and the marginal difference in avoided cost is lower than some of the health benefit when compared to the counterfactual. Fifty-nine per cent of AHL’s funding costs are attributed to health services.⁶ Without health services, AHL created \$30.6 million of benefits at a cost of \$28.1 million in 2023–24.

5. AHL creates most of its benefits in the Northern Territory, Western Australia and Queensland

Hostels in the Northern Territory accrue over 55 per cent of the total benefit identified for AHL. This is reflective of AHL’s hostel presence in the Northern Territory (16 of 42 hostels), and the high number of bed nights within these hostels (~250,000 in 2023–24). Western Australia and Queensland represent the next largest jurisdictions for benefits, representing ~28 per cent and ~12 per cent of benefits respectively. For Queensland, this reflects their volume of hostels (10 of 42) and the resulting bed night volumes. Western Australia has high proportion of renal dialysis residents for its presence – with ~900 unique residents receiving renal dialysis in 2023–24 compared to ~3,300 across all hostels. Comparatively, New South Wales and Victoria receive a smaller benefit of \$2.3 million and \$1.2 million respectively. This reflects a lower number of hostels (8 of 42), a smaller throughput in terms of occupied beds and more of a focus on education compared to health benefits in other jurisdictions.

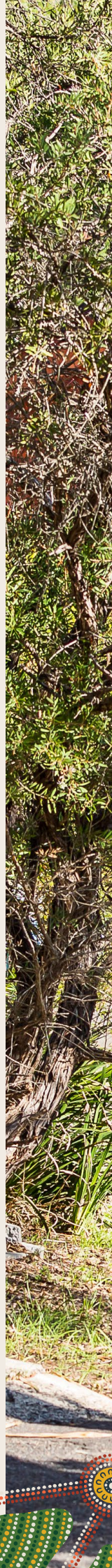
Figure 3 | Breakdown of NPV benefits by jurisdiction, 2023–24



1.2 Conclusion

The analysis in this report demonstrates that AHL generates significant economic and social benefits for a range of beneficiaries and across a range of Closing the Gap outcome areas. It does so by providing a secure base for First Nations people travelling to access services and opportunities, and as a safe place for First Nations people when they have nowhere else to go. Much of its value is driven by the significant improvements to health outcomes and quality of life resulting from improved access to health and medical services; however, it delivers positive returns overall even when health benefits are excluded. The distinctive qualities of AHL’s offering are that its accommodation and food service is culturally safe for its First Nations residents, and that it operates in many areas where there are limited viable alternative accommodation options available. As outlined through this report, AHL is both a gateway and a safe haven for First Nations people across Australia.

⁶ The percentage distribution of cost is calculated using proportion of bed nights stayed for health reasons.



For every **\$1** invested in AHL, **\$5.19** in value is returned to:

- AHL residents, their families and the community
- state and territory governments
- the Australian Government.



2 Background

2.1 About AHL

AHL was established in 1973 as a public company wholly owned by Australian Government and is a registered charity under the *Australian Charities and Not-for-profits Commission Act 2023* (Cth). Its primary purpose is to provide culturally safe and affordable accommodation for First Nations people who need to be away from home to access key services and economic opportunities. Its first hostel opened in Brisbane in 1974. Fifty years later, AHL now operates 42 hostels, providing services to and enabling opportunities for First Nations people across Australia.

AHL provides 1.2 million meals per year to First Nations people and provides 1,100 people a day with somewhere to sleep⁷. In addition to direct provision of food and accommodation, AHL contributes to Closing the Gap outcomes by helping First Nations people access services and opportunities that support their health and wellbeing, build family and community connections and provide educational and economic empowerment. AHL also creates value for the Australian Government and state and territory governments, by freeing up the capacity in other important services.

2.2 Project context and purpose

AHL has engaged Nous to conduct an analysis of the social and economic impact of AHL's hostels and services. This report considers the breadth and depth of AHL's impact using a cost-benefit analysis (CBA) framework, which measures AHL's monetary and non-monetary impacts. This approach highlights the direct benefits for residents and the cost savings to funders. The analysis also highlights AHL's contributions toward supporting the Australian Government's commitment to Closing the Gap priorities, through quantifying the marginal impact of AHL compared to the counterfactual. The CBA is complemented by qualitative analysis, including illustrative case studies, to identify the full range of benefits, including non-monetary but nonetheless significant impacts in the lives of residents and their communities.

2.3 Methodology

2.3.1 Overall approach to modelling impact

This section provides an overview of the approach taken in developing this impact assessment. The approach to determining the impact of the services that AHL provides is in line with the CBA framework produced by the Department of Prime Minister and Cabinet's Office of Best Practice Regulation.⁸ Adapted from Boardman et al (2010)⁹, this framework follows 9 key steps, outlined below.

7 Aboriginal Hostels Limited. AHL Annual Reports from 2014–15 to 2022–23.

8 Australian Government. Cost Benefit Analysis guidance note – July 2023.

9 Boardman, E.A., Greenberg, D.H., Vining, A.R. and Weimer, D.L. 2010, Cost–benefit analysis: concepts and practice, 4th edition, Pearson Prentice Hall, New Jersey

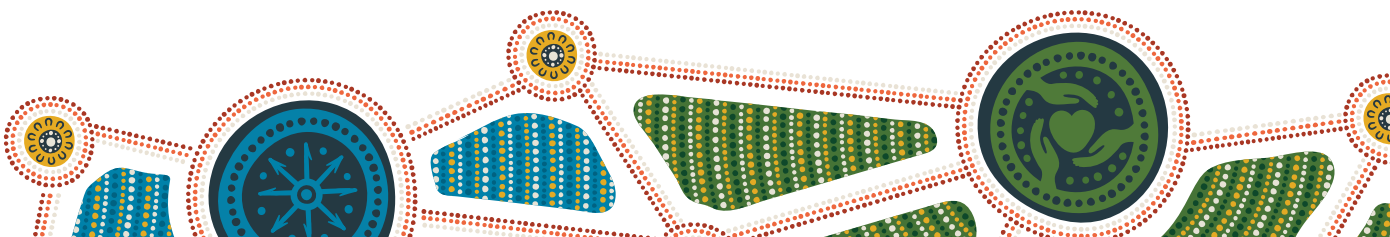


Table 1 | Key steps for impact assessment

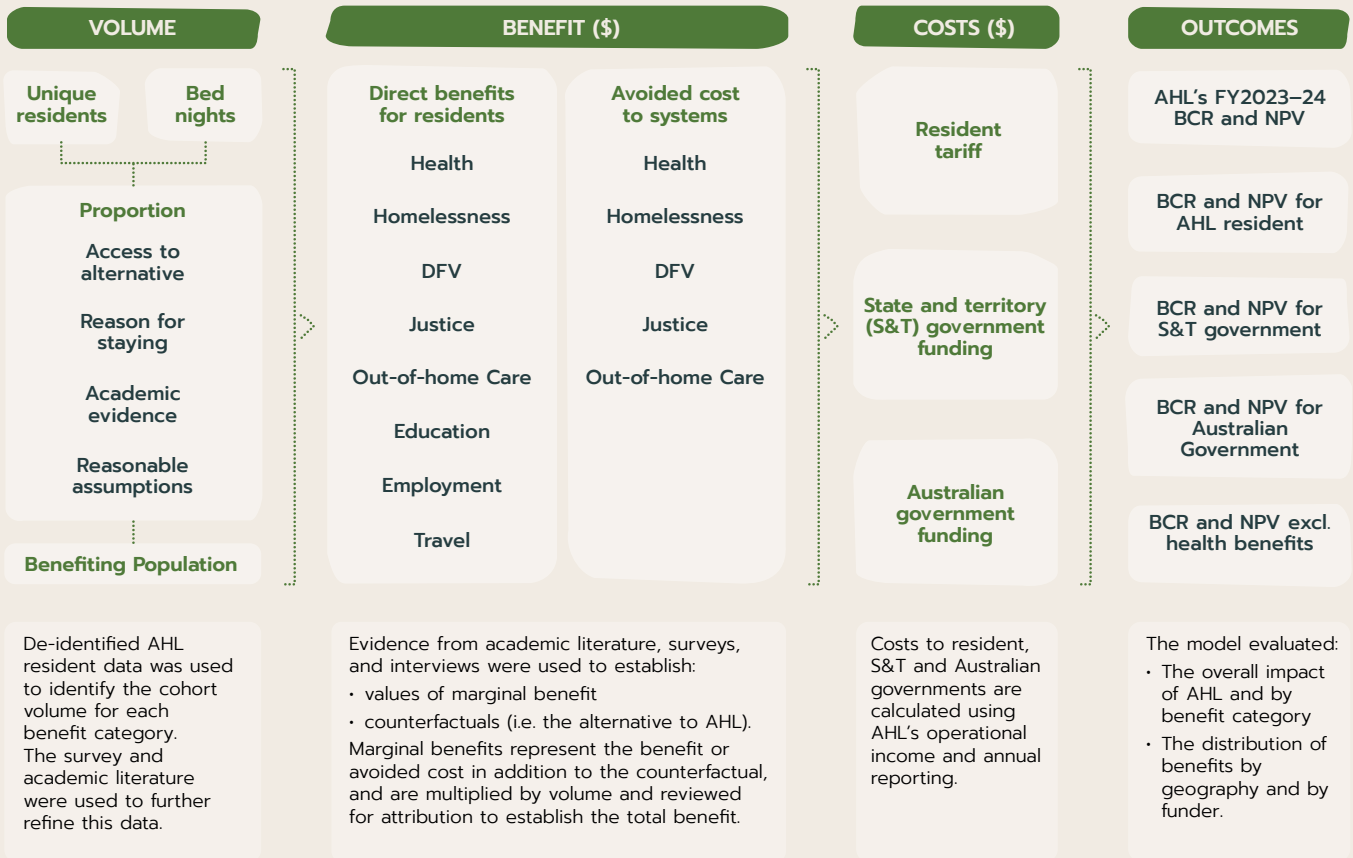
STEP	APPROACH TAKEN
1. Specify the set of options to be included in analysis (e.g. AHL services compared to what counterfactual(s)).	The options analysed in this report are: <ul style="list-style-type: none"> AHL's services (e.g. current state) compared to the counterfactual, on a hostel by hostel basis (e.g. what residents would access if AHL did not exist).
2. Decide whose costs and benefits count.	<ul style="list-style-type: none"> Referent group for benefits/costs, AHL residents and Australian/state/territory government.
3. Identify the impacts and select measurement indicators.	<ul style="list-style-type: none"> Define which benefits are monetary and which are non-monetary (social), including how these map to Closing the Gap outcomes. Agree on the benefit types, including: <ul style="list-style-type: none"> direct benefits (residents) avoided system costs (Australian/state/territory government).
4. Predict the impacts over the life of the proposed investment.	<ul style="list-style-type: none"> Time horizon: 3 years. Timing of benefits: annual. Timing of costs: annual.
5. Monetise (attach dollar values to) impacts.	<ul style="list-style-type: none"> Benefit values are drawn from multiple sources, including: direct data from AHL, limited primary data collection (e.g. survey and interviews), and literature. Cost values are drawn from AHL and/or public information on competitors.
6. Discount future costs and benefits to obtain present values.	<ul style="list-style-type: none"> Apply discount rate of 7 per cent¹⁰.
7. Compute the net present value of each option.	<ul style="list-style-type: none"> Net Present Value (NPV) and benefit to cost ratio (BCR) provided in 2023–24-dollar terms.
8. Perform sensitivity analysis.	<ul style="list-style-type: none"> Apply sensitivity analysis to key input values that contribute the most to the return on investment.
9. Reach a conclusion.	<ul style="list-style-type: none"> Discuss implications for AHL and the Australian Government.

¹⁰ The Office of Impact Analysis, Cost-benefit analysis (2023): "OIA requires the calculation of NPV at an annual real discount rate of 7 per cent".

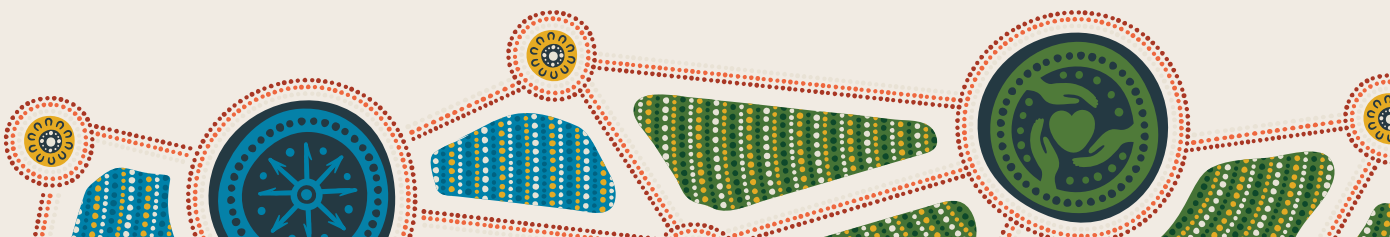
2.3.2 Cost-benefit analysis framework

This cost-benefit analysis measures the benefits accrued through the provision of AHL services, including benefits to AHL residents and their families, benefits to AHL staff, and benefits to Australian Governments at all levels. The framework uses AHL data (including de-identified resident data) as a primary input and breaks this data down further through a survey of hostel managers and assistant managers to clarify reasons for stay and identify viable alternatives in each location (the Hostel Managers Survey). The analysis presents the Net Present Value (NPV) of AHL services’ marginal, net and total benefits. It demonstrates AHL’s return on investment for each stakeholder through AHL’s 3-year benefit to cost ratio (BCR).

Figure 4 | Summary of Nous’ CBA approach for this report



Each of the steps shown above is explored in more detail in Appendix A.





3 Policy and operational context

3.1 Australia's progress towards Closing the Gap

3.1.1 While Australia has made progress toward meeting Closing the Gap targets, there is still a lot that needs to be done

The National Agreement on Closing the Gap was agreed upon in 2020 with the overarching objective of overcoming the entrenched inequality faced by too many First Nations people so that their life outcomes are equal to those of all Australians. It calls for fundamental change in the way that governments work with First Nations people, sets out 4 priority reform areas:

1. formal partnerships and shared decision-making
2. building the community-controlled sector
3. transforming government organisations
4. shared access to data and information at a regional level.

Progress towards these reforms is measured against 17 socio-economic targets to be achieved by 2031. Reporting from the Productivity Commission in July 2024¹¹ on the 15 targets for which data is available shows that only 5 targets are on track to be met, with 5 other targets not on track (despite improvement), 4 showing worsening progress and one showing no change from the baseline.

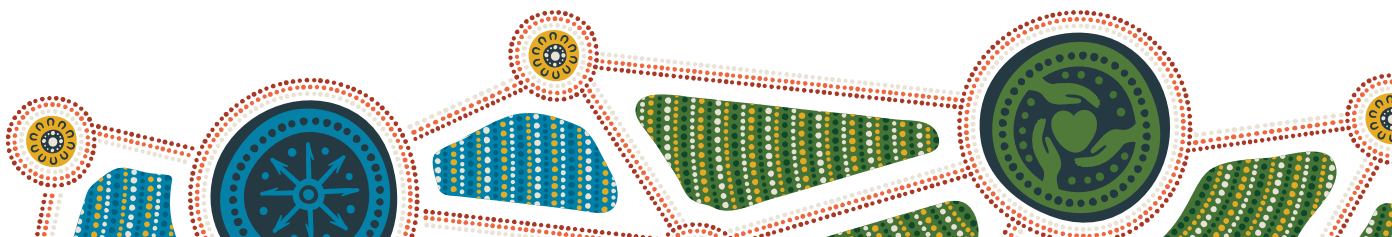
Some of the key target areas that are on track include:

- **Born healthy and strong (Target 2)**, which is on track to reach its target by 2031. As of 2021, 89.6 per cent of First Nations babies were born with a healthy birthweight, compared to 94.2 per cent of non-Indigenous babies. The Closing the Gap target is for 91 per cent of First Nations babies to be born with a healthy birthweight by 2031.
- **Economic participation (Target 8)**, which is on track to reach its target by 2031. As of 2021, 55.7 per cent of First Nations people aged 25-64 were employed, compared to 77.7 per cent non-Indigenous people in the same age range. The Closing the Gap target is for 62 per cent of First Nations people to be employed by 2031.

Despite progress towards some of the targets, significant disparity remains across all socio-economic measures, and a worsening trend appeared in the following areas:

- **Long and healthy lives (Target 1)**, which has improved from 2005-2007 estimates, but is not on track to reach its target of closing the life expectancy gap by 2031. First Nations males born in 2020-2022 are expected to live to 71.9 years compared to 80.6 years for non-Indigenous males, and First Nations females are expected to live to 75.6 years compared to 83.8 years non-Indigenous females.
- **Appropriate housing (Target 9A)**, which has improved from the 2016 baseline but is not on track to meet its target of 88 per cent by 2031. As of 2021, 81.4 per cent of First Nations people were living in appropriately sized (not overcrowded) housing, compared to 93.5 per cent of the non-Indigenous population.
- **Criminal justice (Target 10)**, which has worsened from the 2016 baseline and is not on track to meet its target of reducing the rate of First Nations adults held in incarceration by at least 15 per cent. As of 2023, the incarceration rate for First Nations adults was 2,265.8 per 100,000 of adult population compared to 149.0 non-Indigenous adults per 100,000 of adult population.
- **Child protection (Target 12)**, which has worsened from the previous reported year (2021) and is not on track to meet its target of reducing the rate of First Nations children in out-of-home care by 45 per cent. As of 2023, the rate of First Nations children in out-of-home care was 57.2 per 1,000 children, compared to 4.7 per 1,000 for non-Indigenous children.

¹¹ Productivity Commission, Closing the Gap: Annual Data Compilation Report, July 2024. <https://www.pc.gov.au/closing-the-gap-data/annual-data-report/closing-the-gap-annual-data-compile-july2024.pdf> - noting that much of the data considered was from 2021 to 2023.



3.2 The critical role of secure, culturally safe and affordable accommodation

3.2.1 Limited access to appropriate accommodation and housing hinders progress toward Closing the Gap targets

While Australia presently faces a national housing crisis, with a thin rental market across the country, this is felt even more acutely by First Nations people. This not only undermines progress made towards Closing the Gap Targets 9A and 9B (relating to housing) but across the majority of target areas, where safe and secure housing is a determinant of a range of positive health, social and economic outcomes¹². First Nations people often face a 'revolving door' of housing and homelessness, due to a range of factors including inadequate funding for homelessness services, limited crisis and transitional accommodation, the shortage of affordable housing, barriers to housing access and inadequate attention to tenancy sustainment¹³.

Multiple reports have identified that First Nations people have significantly less access to affordable, secure and quality housing¹⁴. Although the rate of overcrowding in First Nations households has decreased over time, it is still higher relative to non-Indigenous Australians – per 2021 data, 18.6 of First Nations people lived in overcrowded dwellings compared to 6.5 of non-Indigenous Australians. Similarly, despite an overall decline in the rate of homelessness among First Nations people (from 487 per 10,000 population in 2011 to 307 per 10,000 in 2021), it is still 8.8 times the rate for non-Indigenous Australians¹⁵.

In the 2021 ABS Census, First Nations people accounted for over 20 per cent of the homeless population, while representing 3.8 per cent of the total population¹⁶. First Nations people constituted 28 per cent of all people accessing specialist homelessness services, which constituted an increase from 22 per cent in 2011–12¹⁷.

Limitations in access to appropriate accommodation, particularly short-term accommodation, are experienced in 2 ways:

- First Nations people who are travelling to access essential and enabling services require accommodation for the duration of the period in which they are accessing those services (e.g. travelling to access medical care or government services) – without access to appropriate and affordable accommodation, their ability to access those services is undermined.
- First Nations people who are experiencing crisis or transitional challenges (e.g. homelessness, DFV, or post-incarceration re-integration) require appropriate and affordable accommodation to keep them safe and help support long term positive outcomes.

For First Nations people living in regional and remote areas, travel is often the only choice to access essential and enabling services

Roughly 15 per cent of First Nations people in Australia live in remote and very remote areas¹⁸, representing two-thirds of the total population in those areas (compared to representing 3.2 per cent of the total population)¹⁹. Those who live in remote areas are more likely to experience worse life outcomes, particularly in relation to Australia's Closing the Gap targets. For example, First Nations people living in remote and very remote areas in 2020–2022 had a life expectancy 12.4 years lower than non-Indigenous Australians in the same areas. This is due in part to limited availability of and access to key services. For example, the 2024 Summary Report for the Aboriginal and Torres Strait Islander Health Performance Framework noted that amongst First Nations people who did not see a health care provider when they needed to, 54 per cent of people in remote areas cited service availability and/or transport/distance as the primary reason, compared to 29 per cent in non-remote areas.

12 Australian Institute of Health and Welfare (AIHW) 2024. Aboriginal and Torres Strait Islander Health Performance Framework: summary report August 2024. p. 56. https://www.indigenoushpf.gov.au/getattachment/79e5f9c5-f5b9-4a1f-8df6-187f267f6817/hpf_summary-report-aug-2024.pdf

13 AHURI Final Report No. 383 | Urban Indigenous Homelessness

https://www.ahuri.edu.au/sites/default/files/documents/2022-08/AHURI-Final-Report-383-Urban-Indigenous-homelessness-much-more-than-housing_1.pdf

14 AIHW 2023. Housing circumstances of First Nations people. <https://www.aihw.gov.au/reports/australias-welfare/indigenous-housing>

15 AIHW 2024. Aboriginal and Torres Strait Islander Health Performance Framework: summary report August 2024. p. 56.

https://www.indigenoushpf.gov.au/getattachment/79e5f9c5-f5b9-4a1f-8df6-187f267f6817/hpf_summary-report-aug-2024.pdf

16 AIHW 2023. Housing circumstances of First Nations people.

<https://www.aihw.gov.au/reports/australias-welfare/indigenous-housing>

17 AIHW, Specialist homelessness services annual report 2022-23, 13 February 2024.

<https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/indigenous-clients>

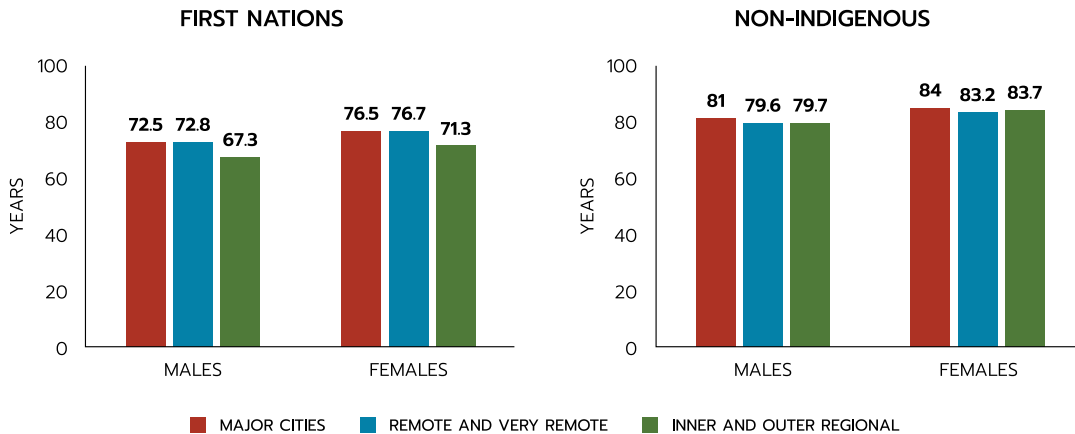
18 AIHW, Aboriginal and Torres Strait Islander Health Performance Framework Summary report, August 2024, p14.

https://www.indigenoushpf.gov.au/getattachment/79e5f9c5-f5b9-4a1f-8df6-187f267f6817/hpf_summary-report-aug-2024.pdf

19 40.8 per cent of First Nations people live in major cities, 24.8 in inner regional, and 19% in outer regional.



Figure 5 | Life expectancy at birth (age-adjusted, by remoteness and sex, 2020–22)



To access essential and enabling services like healthcare, education, government services and economic opportunities, many First Nations people who live in regional and remote areas are required to travel to the nearest town or city. This can often be hundreds of kilometres away from home and comes with its own set of challenges, including finding suitable accommodation, having access to cooking facilities or to affordable meals, navigating an unfamiliar location and potentially an unfamiliar culture and system (what is often referred to as ‘walking in 2 worlds’) and the stress and dislocation of being away from family and country²⁰. Many First Nations people who are travelling in this way do not have access to affordable accommodation, and will often stay with family, including in town camps, which can lead to overcrowding. In some cases, First Nations people will sleep rough out of a lack of viable alternative accommodation or will return to their home communities without fully accessing the services they sought out in the first place.

‘The subsidised tariff [between \$36 and \$65 per night] benefits our people greatly due to high cost of living. Our people travel inter-island to access Thursday Island as our main hub island for medical purposes, access to the Bank, Services Australia, TAFE etc. – other motels on the island charge close to \$300 per night.’

– Hostel Manager, Jumula Dubbins Hostel (Thursday Island).

For First Nations people experiencing crisis, transition or uncertainty, culturally safe and affordable accommodation can help reduce harm and promote positive outcomes

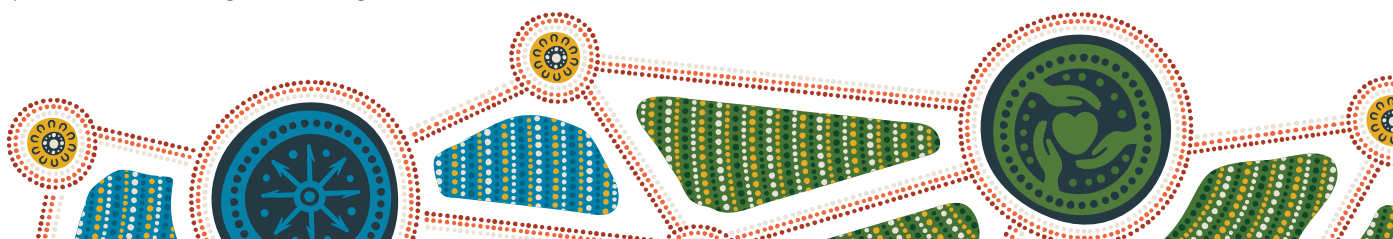
For First Nations people escaping DFV, exiting jail and other forms of custody, or transitioning from (or ‘ageing out of’) the child protection system, safe and affordable accommodation is far from a certainty. There are often many underlying factors that impact their ability to secure accommodation, including access to finances.

In the case of prisoners, one in 7 ex-prisoners released in 2019 requested assistance from a specialist homelessness service²¹. Services that offer affordable and culturally safe accommodation for First Nations people aid in alleviating other crucial challenges. It provides them with safety and stability, enabling greater capacity to focus on finding and attaining economic opportunities, as well as permanent housing. Ex-prisoners with access to these services aid in preventing re-incarceration as homelessness and recidivism are strongly linked, especially for those with prior experiences of homelessness²². More services that exist to service this accommodation need, specifically for First Nations ex-prisoners, would contribute to reducing over-representation in prisons and the high rate of recidivism. Thus, it would also contribute to progress towards the relevant Closing the Gap targets; many of which have seen little-to-no progress in social and justice areas.

20 Noting that often family members will travel with the person seeking access to services, which while alleviating some of the emotional burden of being away from home creates additional challenges in terms of finding suitable accommodation and affordable food.

21 AHURI, Final report no. 361 | Exiting prison with complex support needs: the role of housing assistance, August 2021. <https://www.ahuri.edu.au/sites/default/files/documents/2024-02/AHURI-Final-Report-361-Exiting-prison-with-complex-support-needs-the-role-of-housing-assista.pdf>.

22 AIHW, Specialist homelessness services annual report 2022–2023, 13 February 2024. <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/clients-exiting-custodial-arrangements#ref>



3.3 AHL’s impact on Closing the Gap

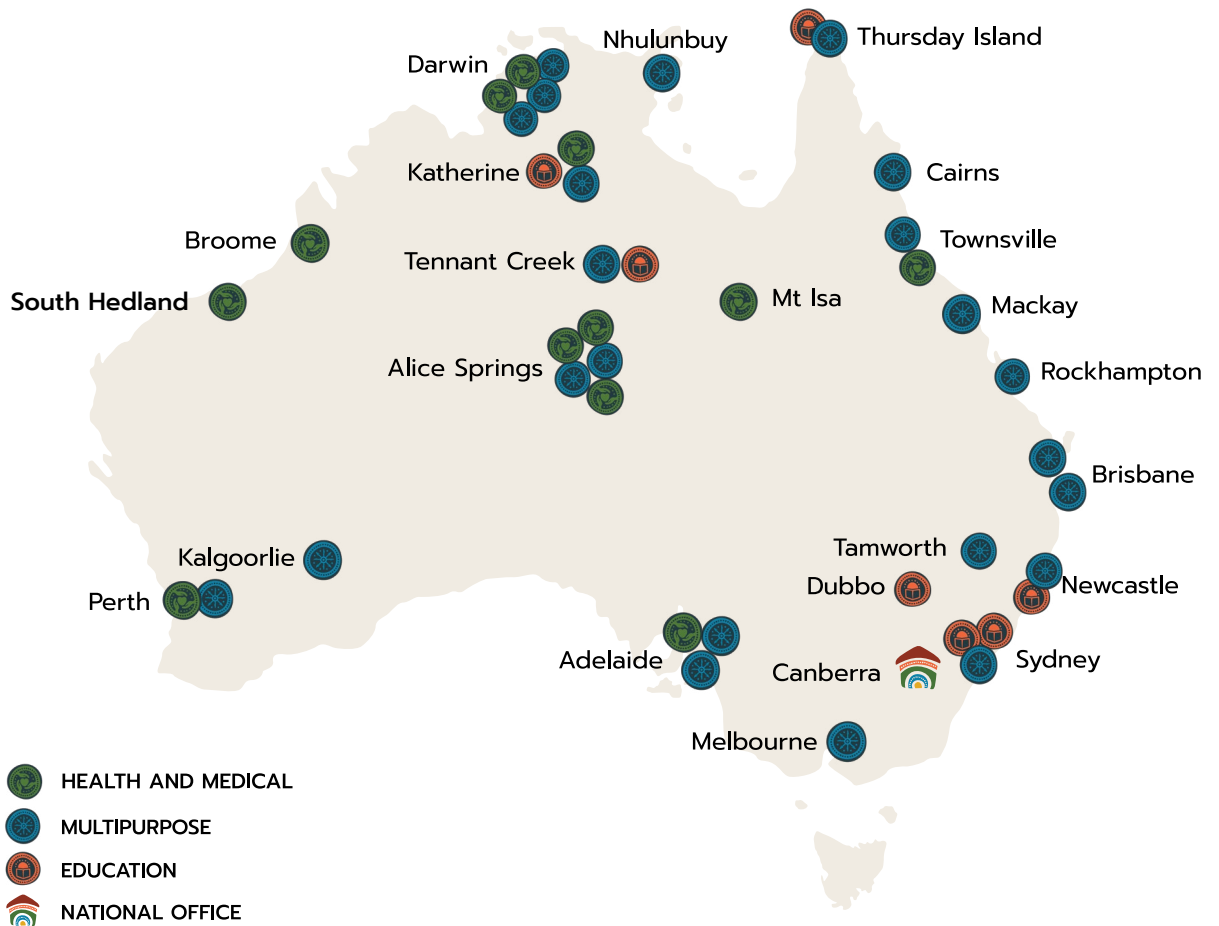
3.3.1 AHL meets the needs of First Nations people who are disproportionately affected by lack of access to vital services

AHL operates 42 hostels in 6 of the 8 states and territories in Australia, where it is uniquely placed as both a stepping stone and a safe haven. All together there are 1,550 beds available daily to First Nations people. These hostels operate in metropolitan, regional, rural and remote locations. Twenty-three of the hostels service multiple needs, with 12 hostels dedicated to health and 7 to secondary education. The Northern Territory has the largest capacity, offering 735 beds a night across 16 hostels. AHL charges residents a tariff to stay at hostels, with the tariff amount pegged at 60 to 70 per cent of a single person JobSeeker and Rent Assistance payment to ensure sustained affordability.

One-third of residents were people who stayed in health and medical hostels while accessing health care. Among the main reasons for stay include renal dialysis and antenatal or postnatal care for First Nations mothers and babies. AHL operates 2 hostels in the Northern Territory that are located on hospital grounds and specifically cater to First Nations mothers and their babies. AHL provides residents who stay in these hostels with tailored menus that meet the dietary needs of those going through renal dialysis, or experiencing chronic disease such as diabetes. This aids in preventing re-admission to hospital and contributes in progress toward multiple Closing the Gap targets.

AHL provided 18,474 people with accommodation and meals in 2023–24. The hostel occupancy rate reached 80 per cent, having exceeded the 72 per cent target. Across the individual service categories, Health and Medical hostels reached an 82 per cent occupancy rate, followed by Multipurpose hostels at 81 per cent, and Secondary Education hostels at 61 per cent²³.

Figure 6 | AHL hostel locations



²³ Low occupancy in Secondary Education hostels is primarily driven by the fixed start and end dates of the school year, meaning that if a student leaves an AHL hostel partway through the year it is often difficult to find another student to replace them, leaving the room unoccupied potentially for the remainder of the year.



AHL opens its doors where others don't

In locations where AHL operates, there are often limited viable alternatives to AHL's services. This is driven by the remoteness of some locations (making it unfeasible for similar accommodation to be established) and is also driven by the nature of residents' needs.

The Hostel Managers Survey asked what the viable alternative would be for residents if not staying at AHL hostels – noting that staying in overcrowded housing or rough sleeping were not considered viable alternatives. Many hostel managers reported a shortage of alternative viable services present in their location. The impacts of the housing crisis and a shortage of accommodation were widely cited, particularly for hostels in regional and remote areas. One hostel manager indicated that without AHL, there is a high probability that the residents receiving renal dialysis treatment would be rough sleeping given the lack of accommodation services.

Where there were other services present, including accommodation services run by government, not-for-profit organisations and Aboriginal Community Controlled Organisations, these were often at capacity – in fact, many hostel managers reported receiving residents referred from these services. In several locations hostel managers noted specialised DFV accommodation available, but similarly reported the consistent limitations on capacity to meet demand. In others, the cost of alternate accommodation was well above what some residents would be able to afford.

Table 2 below shows the proportion of residents with no viable alternative accommodation option by reason for stay.

Table 2 | Intervention versus base case

REASON FOR STAY	PROPORTION OF RESIDENTS WITH NO VIABLE ALTERNATIVE TO AHL
Health and medical	56%
Secondary education	87%
Employment	38%
Homelessness	67%
Transitioning from prison	37%
Domestic and family violence (DFV)	44%
Transitioning from OOHHC	48%
Travel	49%



The cultural safety of AHL accommodation supports better outcomes for residents

AHL's focus on providing culturally safe accommodation is a distinctive element of its service offering. This is achieved through a number of measures, including:

- **Exclusive use of hostel by First Nations people |** With only First Nations people being permitted to stay at the hostel, many residents express feeling a sense of belonging, and that 'we feel more comfortable around our own people' – this was the most common response in the 2023 AHL Resident Survey as to the factors supporting cultural wellbeing at AHL hostels.
- **Staff who understand culture |** Through cultural awareness training and lived experience (with over 44 per cent of AHL staff being First Nations people, both at the hostel and national office level²⁴), staff understand the cultural needs of residents, including customs and protocols. This can help create a safe environment and avoid unintended harms.

'We provide refreshments for those that have lost family members and need to follow their protocols, (providing for other family members, cutting of hair, and smoking ceremonies).'

– Hostel Manager, Sid Ross Hostel (Alice Springs).

- **Opportunities to practice and strengthen culture |** Residents can be provided with opportunities to learn about and engage deeply with culture, through workshops and activities, leadership activities, yarning circles and partnerships with external groups. For example, at Nagandji Nagandji-Ba Hostel – a Health and Medical hostel based in Darwin, NT – hostel staff worked with a botanist and a First Nations pharmacist to establish a bush medicine garden, featuring traditional healing plants from many of the residents' home communities.
- **Geographically and culturally relevant food service |** AHL consults with its residents about what foods to include on the menu to be more culturally safe, including serving more kangaroo meat in some locations, and more fish in other locations. This also allows certain animals to be excluded from the menu if they might represent a totem for some residents.
- **Layout of hostels |** Many hostels are designed in a way to enable separate meetings spaces for men and women, and multiple exits and entrances to make it easy for residents to practice avoidance (i.e. avoiding being in the presence of certain people due to their relationship within the kinship system – noting that not all groups follow a kinship system or avoidance practices).

²⁴ AHL Annual Report 2023–24, <https://www.ahl.gov.au/sites/default/files/2024-10/AHL%27s%202023-24%20Annual%20Report.pdf>



4 Impact findings

This review has found that AHL has a significant impact on both non-monetary and monetary benefits, across health, education, employment and safe accommodation. Each is explored in more detail below.

4.1 Non-monetary benefits

Nous’ analysis demonstrates that AHL has a significant impact across a range of benefit areas, including health and medical, education and employment, and safe accommodation. The table below outlines how each of these benefit areas align to Closing the Gap outcome areas. Each of these benefit areas is then further explored in detail across the remainder of this section.

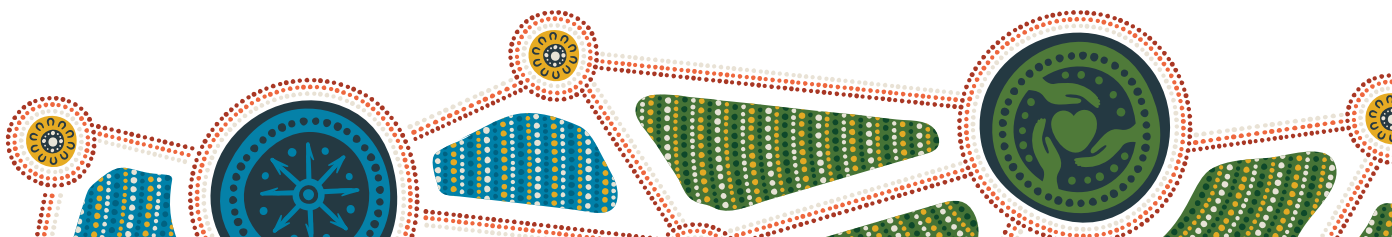
Table 3 | Snapshot of AHL’s non-monetary benefits

BENEFIT AREA	ALIGNMENT TO CLOSING THE GAP OUTCOME AREAS
Health and medical <ul style="list-style-type: none"> Improved health Improved nutrition 	Outcome Area 1: Everyone enjoys long and healthy lives Outcome Area 2: Children are born healthy and strong
Education and employment <ul style="list-style-type: none"> Access to education Access to employment 	Outcome Area 5: Students achieve their full learning potential Outcome Area 7: Youth are engaged in employment or education Outcome Area 8: Strong economic participation and development of people and their communities
Safe accommodation <ul style="list-style-type: none"> Avoided homelessness Effective transition from prison Reduced DFV Effective transition from OOHC Access to culturally safe accommodation for general travel 	Outcome Area 9: People secure appropriate, affordable housing aligned with their priorities and needs Outcome Area 10: Adults are not overrepresented in the criminal justice system Outcome Area 11: Young people are not overrepresented in the criminal justice system Outcome Area 12: Children are not overrepresented in the child protection system Outcome Area 13: Families and households are safe

As identified in its annual reporting, AHL also contributes to the following Closing the Gap targets:

- **Outcome Area 15 – First Nations maintain a distinctive cultural, spiritual, physical and economic relationship with their land and waters** | AHL creates a culturally welcoming and affirming space through its built environs, and across the network many hostels feature facilities such as community gardens, separate men’s and women’s spaces, yarning circles and fire pits.
- **Outcome Area 16 – First Nations cultures and languages are strong, supported and flourishing** | AHL has employees with language skills and engages in partnerships to strengthen cultural practices.

Although our impact analysis does not specifically calculate the benefits under these areas (either monetary or non-monetary) the contribution is nonetheless important, and underpins the cultural safety of AHL’s accommodation offering, which is a key enabler in driving the successful outcomes across all other areas of impact.



4.1.1 Health and medical outcomes

Improved access to health

Many First Nations people across Australia, particularly people living in regional and remote Australia, need to travel away from their home communities to access health services and medical treatment. AHL supports this cohort by providing culturally safe accommodation for patients and their carers for the duration of their time away from home. Residents typically travel to and stay at AHL to access a range of vital health services, including renal dialysis treatment; antenatal or post-natal care for mothers and babies; and a range of other services. Many AHL hostels are strategically located near to and even on the grounds of hospitals and other medical facilities. By providing a welcoming and culturally safe environment for patients, AHL helps support greater and more effective health outcomes.

CASE STUDY: ACCESS TO PRE-AND POST-NATAL CARE

Going to hospital when their labour starts and heading home a day or two after their baby is born is not an option for First Nations women living in remote areas of the NT. They often have to travel to either Darwin, Alice Springs, Katherine or Nhulunbuy to access midwives and specialist care. This can be incredibly isolating as they may be away from their family and community for weeks.

To support these expectant mothers with a safe place to stay before and after their baby is born, AHL has pre- and post-natal hostels for First Nations mums and bubs in Darwin and Katherine. The Gudang Dalba Hostel is on the grounds of the Royal Darwin Hospital. Gudang Dalba means mother and baby in the local Larrakia language. The Katherine Women's Medical Hostel is located close to the Katherine District Hospital.

Long-time Gudang Dalba Hostel Manager, Theresa Campbell says that for non-first-time Mums, it can be really hard leaving their other children behind.

'I get a lot of them wanting to have the baby and get home. It is sad being far away from their children. However, once the ladies arrive and get settled at the hostel, they like being alone to relax and chill out before baby is born, and even after.'

Theresa says that, depending on how far the expected mum is coming from and if they are at high risk (for example, they have diabetes or heart problems), they may arrive about two weeks before baby's due date.

'They stay until baby is born and if all is good with their baby's weight, usually 2 to 3 days after leaving the hospital ward a couple of days after giving birth, they go home. But if baby is not putting on weight or at its correct weight they need to stay longer.'

On average, all going well, the new mums will stay for a week before and a week after the baby arrives.

However, some babies need extra care and stay in the hospital's special care nursery. Because the hostels are close by, their mother can stay at the hostel and walk across to the nursery at any time. This can go on for months. At Gudang Dalba the longest stay was 6 months.

While staying at Gudang Dalba, new mothers are supported by a range of services. There is a consulting room on site and residents are also supported by the hospital's Aboriginal and Torres Strait Islander Health Practitioner and the Indigenous Liaison Officer. Interpreters are also available if necessary. Centrelink visits every second Tuesday to help mothers with the baby's paperwork before they return to their community.

Theresa says that new mothers like staying at the hostel and often come back to stay if they return for follow up appointments. They know they are welcome, safe and will be among supportive, friendly faces at the hostels.

Improved nutrition

A critical component of AHL's service offering is its food service, providing each resident with access to 3 meals per day. The menu is carefully curated by AHL's dietitians to provide optimal, cost-effective nutritional value in a culturally safe way. This benefits residents in the following ways:

- For many residents away from home, it is not possible or practical to prepare their own meals, meaning they would be left to purchase meals from commercial eateries, which is relatively costly and often nutritiously poor.
- Many residents may not have the capacity or capability to prepare their own meals, including patients whose mobility is limited due to health conditions and/or medical treatment, or young people who are not proficient in cooking for themselves.
- Nutrition is a careful consideration for the wellbeing of many residents experiencing health conditions, particularly diabetes.

A good diet is crucial for reducing disease burden, a poor diet contribute significantly to coronary heart disease, type 2 diabetes, stroke and bowel cancer.²⁵ Food is not only a critical element of supporting physical health, but also impacts cultural safety. Residents from different communities have different diets and cultural expectations around food, which can impact their sense of connection to Country and wellbeing.

'AHL provide 3 healthy meals/day plus supper & snacks between meals. Unfortunately, so many residents do not have this access to food in their home communities. I witness this firsthand when residents go home to visit family they often return with a rapid decline in health. Factors that are involved in overcrowding accommodation affect the renal resident health acutely – scabies, lack of sleep, poor diets, flu/viruses etc. Living and staying in an AHL Hostel can improve the quality of life to so many First Nations. It also can provide education to so many aspects of living skills in general and this can impact positive generational life skills'.

– Hostel Manager, Nagandji Nagandji-Ba Hostel (Darwin).

4.1.2 Education and employment opportunities

Access to education

AHL provides important pathways for secondary education students in communities across Australia to access education. Many of the students who access AHL come from communities that do not have secondary schools available locally. Access to education has positive impacts for individuals and communities, as students build life skills beyond the classroom through AHL's hostels. These skills are shared back to their communities when they return home.

In addition to food and accommodation AHL also provides a number of services, both formally and informally, that support student wellbeing and success. These include:

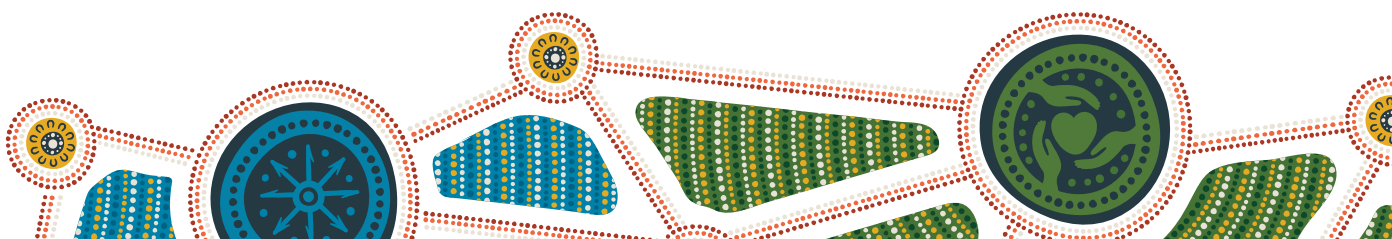
- **Connections to other services** | AHL hostels have partnerships with a range of services, which deliver a range of on-site and off-site activities and support, for example leadership programs, health workshops (such as anti-vaping support), tutoring, and presentations from former residents and role models.
- **Access to facilities** | Many AHL Secondary Education hostels have on-site health and wellness facilities, including gym equipment, basketball courts and outdoor spaces for other sports. AHL also provides facilities and resources such as computer labs, libraries and study spaces on-site to help support students achieve academic outcomes. Each AHL secondary education student is also provided with a laptop and training using First Nations resources from the Office of the eSafety Commissioner.
- **Strengthening connection to culture and community** | AHL helps strengthen culture by facilitating students' access to cultural events, as well as developing in-hostel activities and programs, such as yarning circles.
- **Pastoral care and mentorship** | Hostel managers and other staff (including, in Secondary Education hostels, residential youth workers) provide both formal and informal support for students. This includes helping with academic support and career guidance, general social and emotional wellbeing support, and helping students navigate culture, e.g. managing relationships with and obligations to family and learning how to 'walk in 2 worlds'.

Secondary Education Heads of Boarding report that many students come to AHL with existing trauma and challenges, in line with disadvantages noted amongst the broader First Nations community. For example, in line with the higher mortality rates and suicide rates amongst First Nations people, many secondary education students at AHL hostels have experienced a lot of loss in their families by the time they start at AHL, and the social, emotional and cultural security provided by AHL empowers students to focus on their studies.

'Headspace, mental health, health providers, dental needs... – the kids from community have to wait for these wraparound services to come out to community, or don't have access at all due to remoteness'.

– Head of Boarding, Fordimail Hostel (Katherine).

By supporting access to secondary education, AHL supports students in achieving positive life outcomes of which completion of secondary education is a key predictor, including higher levels of income and economic participation and reduced reliance on welfare. AHL also supports students to achieve success outside of secondary school completion, including access to apprenticeships and other career pathways.



CASE STUDY: CANON BOGGO PILOT HOSTEL

Canon Boggo Pilot Hostel on Thursday Island in the Torres Strait caters for students who come from a variety of different communities across the Torres Strait. When they arrive, they don't know many people and staff encourage their students to become involved in extra-curricular activities. The Australian Navy Cadets and the Queensland Fire and Emergency Services (QFES) Cadetship programs have been popular options for the students. Sixteen of the students are Navy Cadets and four are both Navy and QFES Cadets.

According to Head of Boarding at Canon Boggo Irene Laifoo, the students thrive in these groups, developing new skills, building confidence and making new friends.

Irene said, 'They also learn to work as part of a team and benefit from the self-discipline and physical coordination that comes from training, such as swimming, marching and basic skills. This gives them more confidence to participate in other activities, such as cultural performances. And the basic skills they learn can be transferred back home to their families and siblings.'

Joining the Navy Cadets also allows students to be part of a Torres Strait Island connection, dating back to the Second World War. In 1941, Australia's First Nations army battalion, the Torres Strait Light Infantry (1941–46), was formed to defend the northern tip of Queensland and the Torres Strait. Today, the TS Carpentaria Joint Defence Facility on Thursday Island is home to a Navy Cadet unit that often leads the ANZAC Day parade on the island.

Several students are keen to join the Royal Australian Navy when they graduate.



Access to employment

Some residents will stay at AHL to access employment opportunities. This may include those who have already found employment and are looking for somewhere to stay, or in some circumstances those who are moving to new areas to seek employment opportunities. In these circumstances, AHL provides First Nations people with safe and culturally safe accommodation while they seek economic opportunities.

In 2023–24, First Nations employees made up 44 per cent of AHL's total workforce, making it one of the largest employers of First Nations people in the

Australian Public Service²⁶. Employment of First Nations staff at all levels of the organisation helps to ensure First Nations perspectives are included in key decision-making and helps foster on-the-ground cultural safety for residents. Many First Nations staff are proficient in one or more local languages, which can help create a more welcoming, inclusive environment for residents.

AHL also creates employment pathways for its residents. In the Hostel Managers Survey, responders identified 50 staff across hostels who had started their careers as residents. An example of one such journey is outlined in the case study overleaf.

25 AIHW, Australian Burden of Disease Study 2015: Interactive data on risk factor burden, 6 August 2020. <https://www.aihw.gov.au/reports/burden-of-disease/interactive-data-risk-factor-burden/contents/dietary-risk-factors>

26 AHL, Annual Report 2023-24, 2024. <https://www.ahl.gov.au/sites/default/files/2024-10/AHL%27s%202023-24%20Annual%20Report.pdf>



CASE STUDY: AN OPPORTUNITY TO GROW A CAREER

Growing up in Cherbourg in Queensland did not offer Anita Leedie many opportunities. For Anita, a proud Wakka Wakka and Wulgurukaba woman, staying at AHL's Iris Clay Hostel in Townsville while studying at TAFE was a lifechanging experience. It started her journey to a career with AHL, now in its 35th year.

As a resident at Iris Clay, Anita experienced firsthand what AHL's hostels do and what they offer First Nations people and decided she wanted the opportunity to be part of it. When the army transferred her husband and they moved to Darwin, Anita's opportunity appeared. She answered an advertisement for a cook at Galawu Hostel and was successful.

'I was a cook, but I did domestic work, night porter, a bit of everything. AHL gave me training in things like first aid, food safety and work, health and safety. These opportunities made me see what I could do.'

At Galawu, Anita was mentored as a trainee manager by assistant manager, Phillip Talbot. From there she moved to Silas Roberts Hostel as manager. By the mid-1990s she was also relief manager for all of the Northern Territory (NT) hostels. Still based in the NT she also had stints as relief manager in Western Australia and South Australia.

Eventually Anita and her husband transferred back to Townsville where she is now Operations Manager for Queensland. Looking back on her long career, Anita believes the greatest benefit AHL gives its residents is a place to stay where they are comfortable and safe.

'[Residents] can walk in and feel at home!'

4.1.3 Safe and appropriate accommodation

Cultural safety

Cultural safety is an essential and distinctive component of AHL's offering to residents. Cultural safety provides direct benefits to residents by strengthening identity and fostering connections; and by reflecting on and accommodating the ongoing impacts of colonisation and dispossession (e.g. intergenerational trauma). By creating a culturally safe space, AHL is better able to support First Nations people address inequities by accessing key services successfully, providing residents a secure foundation to build from as they seek out external supports and opportunities.

The Closing the Gap Report defines cultural safety as:

*'... overcoming the power imbalances of places, people and policies that occur between the majority non-Indigenous position and the minority Aboriginal and Torres Strait Islander person so that there is no assault, challenge or denial of the Aboriginal and Torres Strait Islander person's identity, of who they are and what they need. Cultural safety is met through actions from the majority position which recognise, respect, and nurture the unique cultural identity of Aboriginal and Torres Strait Islander people. Only the Aboriginal and Torres Strait Islander person who is recipient of a service or interaction can determine whether it is culturally safe.'*²⁷

AHL strives for cultural safety through a number of intentional measures, including:

- exclusive use of hostels by First Nations people
- employing staff who understand culture (and are often First Nations people themselves)
- providing opportunities for residents to practise and strengthen culture
- delivering a geographically and culturally relevant food service
- ensuring the layout of hostels allows residents to practice cultural protocols such as avoidance.

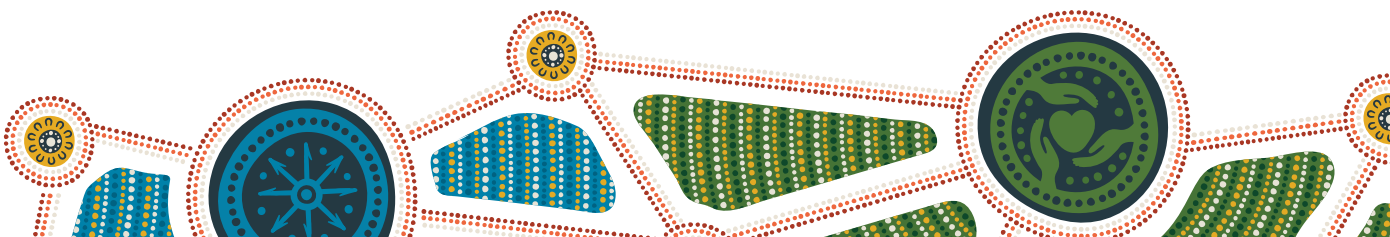
These are outlined in greater detail at 3.3.1 above.

Many residents who stay at AHL will experience culturally unsafe situations outside of AHL – both in their day-to-day lives outside the hostel, and in the services that they have travelled to make use of. This can create a significant barrier both to the access and effectiveness of the services²⁸. For example, in 2018–19, 32 per cent of First Nations people who did not access health services when they needed to subsequently indicated this was due to cultural reasons, such as language problems, discrimination and cultural appropriateness²⁹. Having a culturally safe space to stay can help support residents 'walk in 2 worlds' and better navigate unfamiliar and at times unsafe non-Indigenous systems. The impact of culturally safe service delivery ultimately aids in encouraging residents to return and continue accessing services, enabling self-determination and agency in generating positive life outcomes.

²⁷ National Agreement on Closing the Gap, Definitions, <https://www.closingthegap.gov.au/national-agreement/national-agreement-closing-the-gap/12-definitions>

²⁸ Jacqui Stewart, Shaun Lohar and Daryl Higgins, Effective practices for service delivery coordination in Indigenous communities, December 2011. <https://www.aihw.gov.au/getmedia/322b47bf-ac2c-4de7-9b43-88dd001e8dfe/ctgc-rs08.pdf.aspx?inline=true>

²⁹ AIHW, Cultural safety in health care of Indigenous Australians: monitoring framework, 2023. <https://www.aihw.gov.au/reports/indigenous-australians/cultural-safety-health-care-framework/contents/summary>



CASE STUDY: RESIDENTS AND STAFF ENJOYING THE KIRINARI SYDNEY HOSTEL YARNING CIRCLE

A yarning circle is a gathering place where people come together.

AHL hostel residents come from many different places so having a yarning circle provides a secure, culturally safe space for them to meet and 'have a yarn'.

AHL actively seeks community partnerships, so in 2022–23, the opportunity to collaborate with 3 community organisations to create a yarning circle at Kirinari Sylvania Hostel in Sydney was not to be missed.

Aboriginal Children's Advancement Society (ACAS), the Caringbah Rotary Club and the La Perouse Local Aboriginal Land Council collaborated with AHL to plan and develop the project.

ACAS and Caringbah Rotary also chipped in to provide funding to top up an Australian Government grant.

As a result, on 23 June 2023, the yarning circle was officially opened with a ceremony. It has become an important, culturally familiar space for residents to relax and socialise at the home away from home that is Kirinari Sylvania Hostel.

'We are listening, we are hearing, and our voice is highly valued in a culturally safe environment as a family in the Yarning Circle!'

– Student from Kirinari Hostel Sydney.



Avoided homelessness

AHL services help address both crisis and transitional homelessness by providing accommodation to people facing a range of challenges. AHL does not directly provide the wraparound support provided by Specialist Homelessness Services, including living skills support, educational assistance, employment assistance, access

to government allowances, mental health services or training assistance³⁰. However, AHL can help connect residents with relevant service providers to address these needs. By alleviating the immediate concerns of housing and food, AHL empowers homeless residents to seek support and address underlying issues contributing to their risk of homelessness.

³⁰ AIHW, Specialist homelessness services annual report 2022-23, 13 February 2024.

<https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/young-people-presenting-alone#client>



CASE STUDY: FIRST NATIONS SENATOR JANA STEWART'S PERSONAL EXPERIENCE WITH AHL

'My experience with AHL was as a kid...we grew up in a home where there was family violence and drug use and at times our family didn't have a roof over our heads. AHL, through WT Onus [AHL hostel in Melbourne], provided that roof over our heads and meant that we had 3 meals a day and food in our bellies.'

Reflecting on the stability AHL provided during her early years, Senator Stewart, a proud Mutthi Mutthi and Wamba Wamba woman, said, *'As a kid, I remember it being fun. I remember being safe. Which are really critical kinds of feelings for a kid when lots of your life is in chaos. I remember being surrounded by other community members.'*

Senator Stewart and her mum and younger siblings often found themselves staying at WT Onus Hostel.

'It was a safe place for us...not just that it kept our family together but the other people there were also in a similar situation to us. It felt like a safe environment for everybody, there was no judgment, everybody was doing it tough and it made it accessible. You felt it was a place you could go to in your hour of need.'

Looking at those early days through the eyes of an adult, the gravity of her family's circumstances at that time is now very sincerely appreciated.

'If we ended up on the streets, which was a very real risk, we would have been removed from our mum and so it is not a stretch to say that AHL kept our family together.'

Effective transition from prison

AHL provides important support to First Nations people transitioning out of correctional facilities. Multiple studies and reviews³¹ have highlighted the importance of stable accommodation in reducing the risk of recidivism, also noting that obtaining stable accommodation is often a significant challenge for former prisoners returning to the community. AHL provides a safe and welcoming space for former inmates, and AHL Hostel Managers carefully manage the hostel environment to best support these residents and to ensure the overall safety and wellbeing of all residents at the hostel.

Maintaining stable and suitable accommodation is often a parole requirement for recently released inmates, and also enables them to more easily and effectively access key support services, such as mental health services, drug and alcohol counselling, employment services, group work programs and other activities. This all contributes to a lower likelihood of recidivism and reincarceration for this cohort.

'Residents stay with us and get a 3-month rental reference required to obtain Government housing.'

– Hostel Manager, Corroboree Hostel (Katherine).

Reduced domestic and family violence

AHL provides important, culturally safe accommodation to support First Nations people escaping DFV. Lack of access to safe alternative housing is a significant barrier to people seeking to escape violence, and escaping DFV into overcrowding or homelessness often increases the risk of violence³². By providing short term accommodation, AHL is not a specialist domestic violence provider, and does not provide additional support or tailored care. However, it provides security of accommodation and food, allowing victim-survivors greater opportunity to access key services, including legal assistance, financial assistance, counselling and other services. Since 2022, AHL has partnered with Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women's Council in Alice Springs to pre-book rooms for families escaping DFV, in recognition of the great excess of demand for such accommodation.

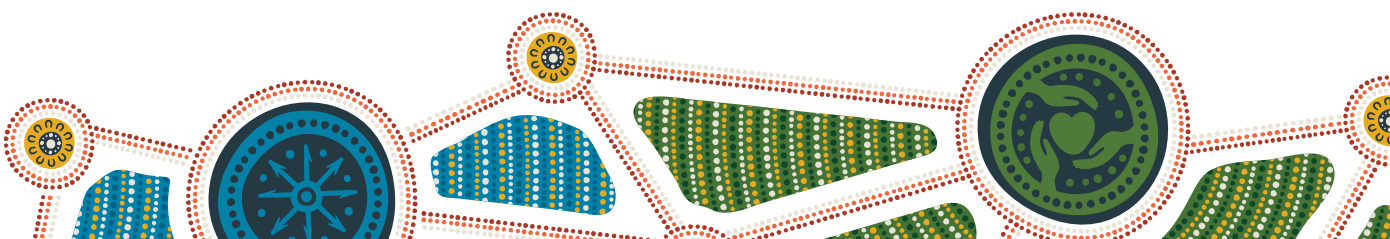
Effective transition from out-of-home care

AHL meets the needs of young people transitioning from out-of-home care by providing temporary accommodation while they find a long-term housing option, noting that there are limited services that provide targeted accommodation support for people

31 Australian Institute of Criminology, Research report 07 | Supported housing for prisoners returning to the community: A review of the literature, 2018. https://www.aic.gov.au/sites/default/files/2020-05/rr07_supported_housing_300418_0.pdf

Aaron Gottlieb and Leah A. Jacobs, The effect of housing circumstances on recidivism, Criminal Justice Behav, 6 August 2020. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8496894/>

32 Homelessness Australia, Homelessness and domestic and family violence: State of Response Report, 2024. <https://homelessnessaustralia.org.au/wp-content/uploads/2024/03/IWD-2024-3.pdf>



transitioning from out-of-home-care. For people leaving out-of-home-care, within 2 years 32 per cent are identified as homeless, 24 per cent have interactions with the justice system, and 80 per cent are admitted to hospital³³. The provision of culturally safe and secure housing enables young people leaving out-of-home care to avoid rough sleeping and homelessness, and in turn reduce the likelihood that they interact with the justice system.

Access to culturally safe accommodation for general travel

AHL provides culturally safe accommodation for general travel purposes, including for people who are travelling to visit family, attend cultural events, attend funerals and other reasons. AHL provides viable alternative accommodation for residents who would otherwise be in overcrowded or inappropriate lodging. There is a quantifiable benefit from improved life satisfaction from avoiding poor quality housing.

'I advocate for residents. Especially those older residents who require assistance and have no family that can or will stay with them. I notify Aboriginal liaison officers at renal facilities to have residents assessed for assistance or aged care facilities. I also talk to different agencies regarding housing. We assist residents to access other assistance and even help them to set up phones; banking services; and other things. If residents have their name on housing list, then they can stay at AHL until a house/unit becomes available to them.'

– Hostel Manager, Galawu Hostel (Darwin).

4.2 Monetary benefits

The monetary benefits created through AHL's services go to residents, state and territory governments, and the Australian Government. The extent of impact across a range of outcomes can be seen in the distribution of benefits across AHL's identified benefit areas, as outlined in Table 4 below.

Table 4 | Distribution of benefits across benefit areas 2023–24

CATEGORY	BENEFITS (\$million)	TOTAL NUMBER OF RESIDENTS ³⁴
Improved health and nutrition	\$326.2m	18,747
Avoided homelessness	\$11.6m	3,345
Effective transition from prison	\$9.2m	332
Reduced domestic violence	\$6.0m	833
Access to education	\$2.0m	658
Access to employment	\$1.2m	429
Effective transition from OOHC	\$0.5m	385
Access to culturally safe accommodation for general travel	\$0.2m	1,116

³³ SGS Economics and Planning, for Housing All Australians, Give Me Shelter, June 2022. https://sgsep.com.au/assets/main/SGS-Economics-and-Planning_Give-Me-Shelter.pdf

³⁴ Where residents stay at AHL on 2 separate occasions for different 'reasons for stay', they are captured twice within the calculations. Benefits that relate to unique residents do not overlap. 18,747 is the number of unique residents AHL has supported in 2023-24.



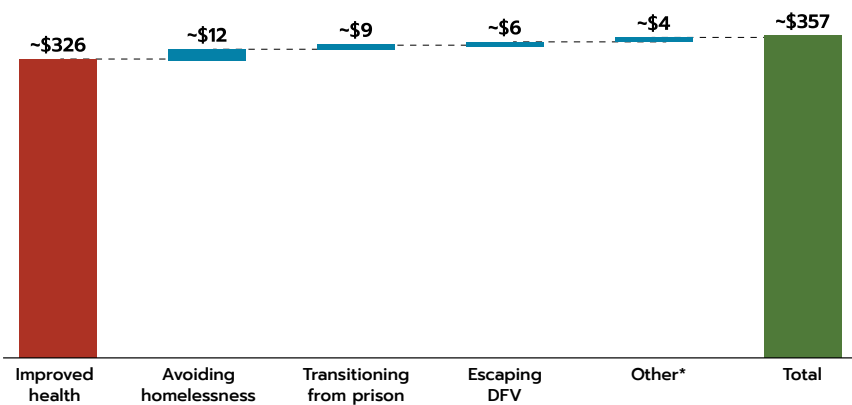
4.2.1 Health is the largest contributor to AHL’s total benefits

The significant proportion of health benefits across AHL’s full range of benefits is reflective of 2 key factors:

- The significant economic value of health benefits accruing from residents accessing renal dialysis treatment (~\$178 million in 2023–24).
- The large number of AHL medical hostel bed nights that would otherwise result in a hospital bed night (a benefit of ~\$140 million in 2023–24). Cumulatively, these 2 benefits account for ~86 per cent of the total benefit across AHL.

In addition to delivering significant benefits, health and medical residents also represent the largest volume cohort across AHL – more than 40 per cent of total bed nights. In 2023–24, there were ~167,000 bed nights attributable to health and medical residents, compared to ~158,000 for homelessness, ~31,000 for education ~15,000 for general travel, ~14,000 for DFV, ~12,000 transitioning from out-of-home care, ~7,000 accessing employment opportunities and ~4,000 transitioning from prison.

Figure 7 | Breakdown of 2023–24 benefits by benefit area, \$million



*Other includes accessing education, accessing employment, comfortable travel, and transitioning from out-of-home care benefit areas

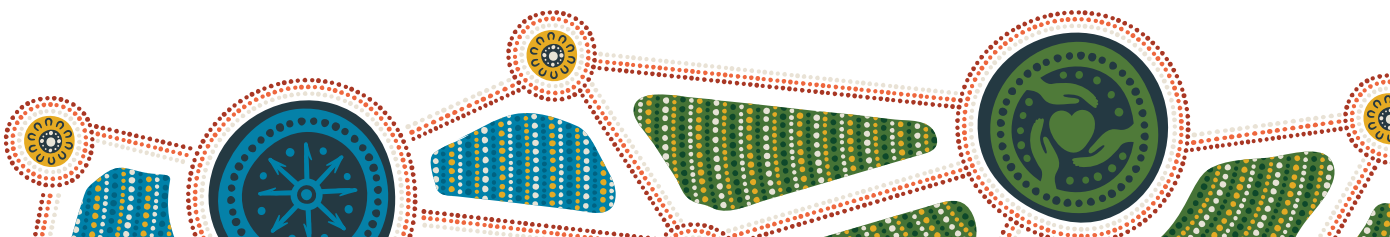
4.2.2 With health stripped out AHL still delivers a positive BCR across education, employment and safe accommodation.

Excluding health benefits (and apportioned costs), AHL still delivers a BCR of 1.09 and a net benefit of \$2.5 million. The largest contributions come from the following areas:

- transitioning from prison – reduced rates of reoffending generated \$9.1 million of benefits
- escaping DFV – improved health from avoiding instances of DFV generated \$6.0 million of benefits
- avoiding homelessness – avoided health costs of rough sleeping generated \$3.6 million of benefits.

These are smaller in comparison to health benefits for a variety of reasons. In the case of escaping DFV and transitioning from prison, the monetary benefits are significant in terms of annual avoided health system costs from reduced DFV, improved health outcomes for individuals from avoided DFV, and reduced justice system interaction costs due to reduced likelihood of recidivism. However, the number of bed nights attributable to this cohort are relatively lower.

In addition, given the short-term nature of AHL accommodation, residents do not stay for extended periods of time. The benefits from transitioning from prison, avoiding homelessness and escaping DFV are generally created on a per bed night basis, meaning the longer residents stay the greater the benefit. This is in contrast to health benefits accrued through accessing health services, which have longitudinal lifelong benefits.

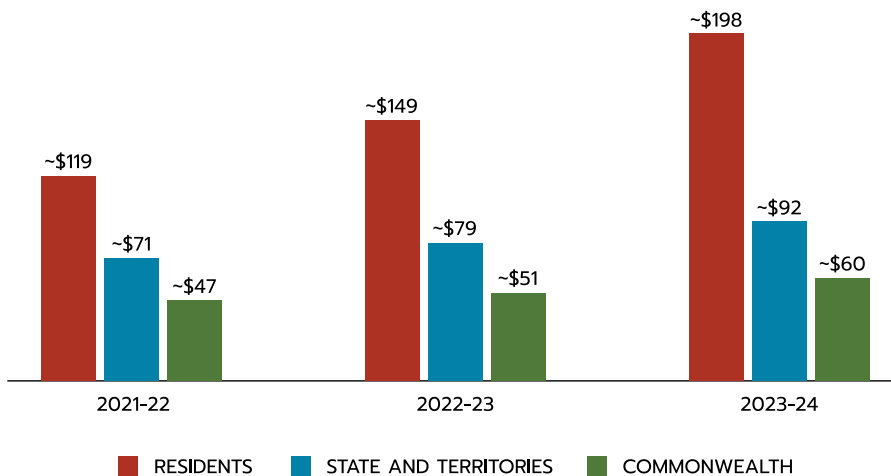


4.2.3 Residents are the primary beneficiaries of AHL, followed by state and territory governments.

AHL created \$197.9 million of direct benefits for residents in 2023–24, primarily through improved health outcomes, uplift in income, and improved life satisfaction. This includes improved health outcomes from renal dialysis (accounting for \$177.8 million) and avoiding DFV (a benefit of \$5.3 million) increased income from education and employment opportunities (a benefit of \$3.2 million), and increased life satisfaction from avoiding overcrowding (a benefit of \$7.2 million). Residents accrue a larger amount of the benefit (~53 per cent), compared to their contributions to AHL through tariffs (~26 per cent). Residents receive large direct benefits from AHL's services, including improved health outcomes from renal dialysis and avoiding DFV, increased income from education and employment opportunities, and increased life satisfaction from avoiding overcrowding.

Over the last 3 years to 2023–24, the benefits to residents have increased substantially. This has been driven by an increase in demand for AHL's services, particularly from cohorts that benefit proportionally more in terms of monetary benefits – residents seeking health and medical services and residents avoiding homelessness.

Figure 8 | Breakdown of benefits by beneficiary year, \$million



4.2.4 Residents and state and territory governments benefit the most, despite the Australian Government providing the majority of funding

The state and territory governments across Australia receive a \$91.8 million benefit through the avoided costs to their health and justice systems in 2023–24. Avoided costs to health are the core driver of benefits accruing to state and territory governments, reflective of the large number of AHL medical hostel bed nights (96,000 bed nights in 2023–24) that would otherwise result in an occupied hospital bed night (a benefit of ~\$139.6 million³⁵). In addition to health, AHL supports people to get access to safe accommodation (a benefit of \$9.4 million). Despite contributing \$2.6 million of total funding, state and territory governments accrue ~27 per cent of the total benefit of AHL.

The Australian Government receives \$59.9 million in benefits through AHL in 2023–24, for an investment of \$44.1 million. These benefits are largely driven by the avoided hospital bed nights, of which the Australian Government funds 42 per cent on average across the country. The Australian Government accrues a modest increase in tax income through AHL, but this is much smaller in scale compared to health benefits.

³⁵ Private hospitals also accrue a benefit of ~\$7 million in 2023-24 from avoided hospital bed nights.



4.2.5 The geographic distribution of AHL benefits is in line with the distribution of hostels and the volume of residents

Hostels in the Northern Territory accrue over 56 per cent the total benefit identified for AHL. This is reflective of AHL's hostel presence in the Northern Territory (16 of 42 hostels), and the high number of bed nights within these hostels (~250,000 in 2023–24).

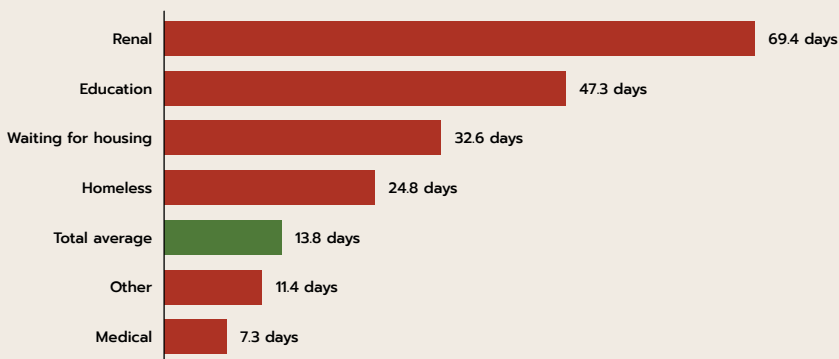
Western Australia and Queensland represent the next largest jurisdictions for benefits, representing ~28 per cent and ~12 per cent of benefits respectively. For Queensland, this reflects their volume of hostels (10 of 42) and the resulting bed night volumes. Western Australia has high proportion of renal dialysis residents for its presence – with ~900 unique residents receiving renal dialysis in 2023–24 compared to ~3,300 across all hostels. Comparatively, New South Wales and Victoria receive a smaller benefit of \$2.34 million and \$1.2 million respectively. This reflects a lower number of hostels (8 of 42), a smaller throughput in terms of occupied beds and more of a focus on education compared to health benefits in other jurisdictions.

4.2.6 Residents staying at AHL for renal, education, and to avoid homelessness have the highest average length of stay

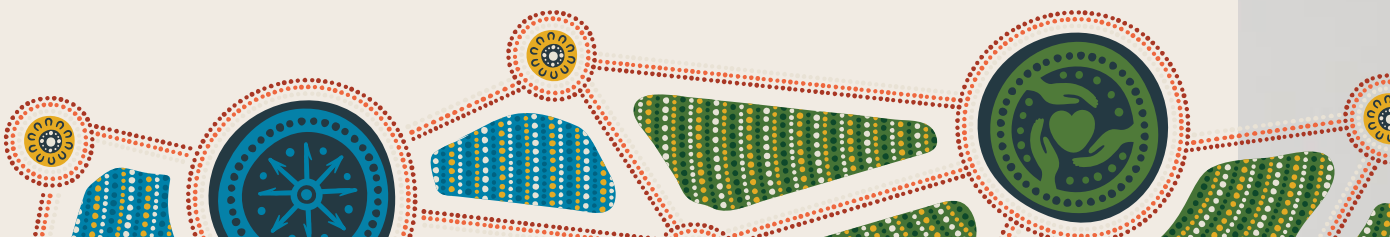
The average length of stay for AHL residents varies by reason for stay category. Residents staying at AHL to receive renal dialysis have the longest average stay of 69.4 days, driven by the longer terms of dialysis treatment. Education has the second longest average stay of 47.3 days, driven by secondary school residents who typically stay at AHL hostels for a full school year (~40 weeks), noting that each year a number of students exit AHL before the year has completed (often in the first term). The RMS data used to calculate average length of stay for residents citing 'education' as their reason for stay includes residents undertaking short course training and other tertiary qualifications, which may reduce the average length of stay for this category.

Homelessness and waiting for housing are third and fourth with average stays of 32.6 and 24.8 days respectively. This is an area of high demand for AHL (totalling 2,437 unique residents and 5,941 separate stays in 2023–24, or ~15 per cent of total stays), and there is a noted trend amongst hostel managers of many residents seeking to stay on a longer-term basis, despite the three-month maximum stay. As of the end of the 2023–24 period, resident data indicates there are ~50 residents who have stayed at AHL for over a year under a homeless or waiting for housing reason for stay. The length of stay for the general medical category of residents (as distinct from the renal category) is relatively shorter, where residents typically come to access health care, treatment or medication, and then return home shortly after.

Figure 9 | Average length of stay, by reason of stay 2023–24



NB: These categories reflect AHL's RMS data. For the purpose of this report, 'waiting for housing' and 'homelessness' have been consolidated into a single category. The total average length of stay excludes reasons for stay not included within the report. Including these stays leads to a total average length of stay of 12.7 days.





5 Sensitivity analysis

The sensitivity analysis assesses and demonstrates the impact of CBA assumptions in varying probable scenarios.

The assumptions in the CBA have 'very low' ($\leq \pm 0.05$ BCR variation) or 'low' ($\leq \pm 0.50$ BCR variation) impact on the final BCR. The only assumption with a high sensitivity is the 'Attribution of DALY increase from renal dialysis treatment to AHL', it has a potential BCR variation of ± 2.25 . The analysis calculated the benefits of renal dialysis for residents who are not able to access care without AHL, and attributed a conservative portion (5 per cent) of the positive impact to AHL.

Table 5 | Sensitivity analysis overview

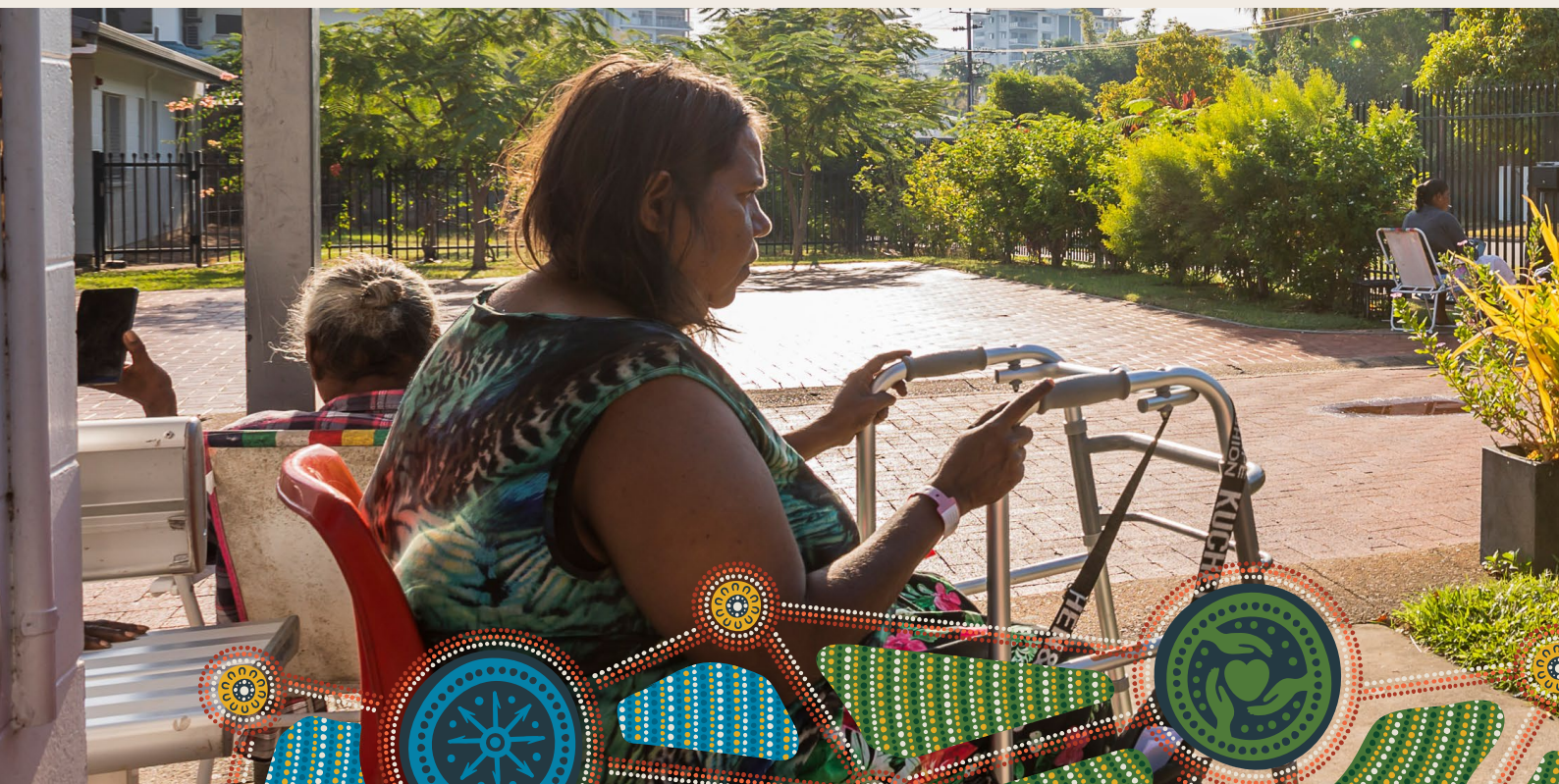
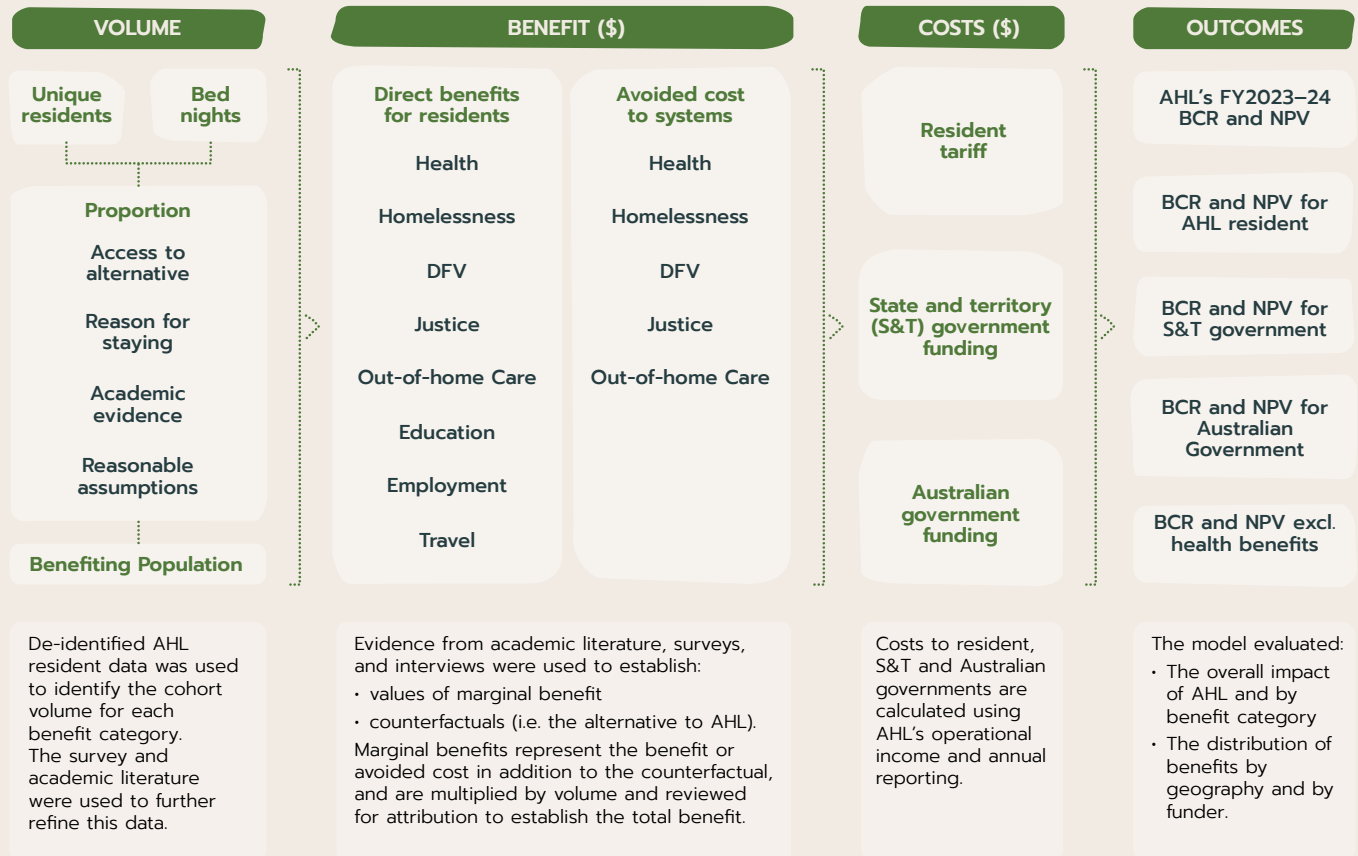
ASSUMPTION	VALUE	ASSUMPTION (BCR)	HIGH ASSUMPTION (BCR)	SENSITIVITY
Net present value discount rate	7% (4.82)	2% (4.83)	12% (4.80)	Very low ($\leq \pm 0.01$ BCR variation within probable assumption range)
Attribution of DALY increase from renal dialysis treatment to AHL	5% (4.82)	0% (2.57)	10% (7.06)	High ($\leq \pm 2.25$ BCR variation within probable assumption range)
Proportion of FN mothers who without AHL would not have accessed antenatal care in 1st trimester	15% (4.82)	0% (4.77)	30% (4.86)	Very low ($\leq \pm 0.04$ BCR variation within probable assumption range)
Estimated proportion of the FN population born with low birth weight	10% (4.82)	5% (4.86)	15% (4.80)	Very low ($\leq \pm 0.04$ BCR variation within probable assumption range)
Estimated proportion of residents received noticeably improved nutrition from staying at AHL	80% (4.82)	0% (4.79)	100% (4.82)	Very low ($\leq \pm 0.05$ BCR variation within probable assumption range)
Attributable diet-risk DALY increase to AHL	5% (4.82)	0% (4.79)	10% (4.84)	Very low ($\leq \pm 0.05$ BCR variation within probable assumption range)
Proportion of residents who are able to avoid accessing SHS services through staying at AHL	20% (4.82)	0% (4.77)	50% (4.88)	Low ($\leq \pm 0.24$ BCR variation within probable assumption range)

ASSUMPTION	VALUE	LOW ASSUMPTION (BCR)	HIGH ASSUMPTION (BCR)	SENSITIVITY
Expected career length in year	30 years (4.82)	25 years (4.81)	35 years (4.82)	Very low ($\leq \pm 0.00$ BCR variation within probable assumption range)
Long term discount rate	5% (4.82)	3.5% (4.82)	8.5% (4.81)	Very low ($\leq \pm 0.00$ BCR variation within probable assumption range)
Wage growth rate	3.5% (4.82)	1.0% (4.81)	6.0% (4.82)	Very low ($\leq \pm 0.01$ BCR variation within probable assumption range)
Proportion of unemployed residents who find attributable part-time employment	1/3 (4.82)	100% (4.83)	0% (4.81)	Very low ($\leq \pm 0.01$ BCR variation within probable assumption range)
Proportion of unemployed residents who find attributable full-time employment	1/3 (4.82)	100% (4.83)	0% (4.81)	Very low ($\leq \pm 0.01$ BCR variation within probable assumption range)
Proportion of part-time employed residents who find attributable full-time employment	1/3 (4.82)	100% (4.82)	0% (4.81)	Very low ($\leq \pm 0.01$ BCR variation within probable assumption range)
Proportion reduction in reoffending due to providing a safe and culturally safe housing	20% (4.82)	15% (4.79)	65% (5.08)	Low ($\leq \pm 0.40$ BCR variation within probable assumption range)

Appendix A | Methodology

This cost-benefit analysis (CBA) measures the benefits accrued through the provision of AHL services, including benefits to AHL residents and their families, benefits to AHL staff, and benefits to Australian Governments at all levels. The analysis presents the Net Present Value (NPV) of AHL services' marginal, net and total benefits. It demonstrates AHL's return on investment for each stakeholder through AHL's 3-year benefit to cost ratio (5.19).

Figure 10 | Summary of Nous' CBA approach for this report



A.1 Defining benefits

This analysis considers a range of benefits arising both from the direct provision of AHL services (i.e. staying at AHL) and indirectly from using AHL to access other services and opportunities. The full range of benefits has been calculated through consultation with key AHL staff and review of AHL documentation and data.

The model carefully accounts for the fact that AHL will often not be the direct provider of the benefiting service in question (e.g. renal dialysis) – it is more accurately an enabling factor, assisting residents to access the service by providing secure, culturally safe accommodation, typically located in close distance to key services (e.g. hospitals, government agencies). As such, the model considers both the:

- proportion of residents who would not have had access to viable alternative accommodation without AHL (calculated for each benefit area).
- level of attribution/contribution appropriate for AHL in relation to the benefit, where relevant.

For example, in the case of residents using AHL to access renal dialysis, the model takes the following steps:

1. Identify the number of residents staying at AHL in order to access renal dialysis (data taken from resident management system (RMS) and further refined through the Hostel Managers survey and consultation).
2. From the above cohort, identify the proportion of residents staying at AHL that would not have a viable alternative accommodation without AHL (i.e. the counterfactual).
3. Calculate the benefit of the entire counterfactual cohort receiving renal dialysis treatment (i.e. the average increase in disability adjusted life years multiplied by the value of a statistical life year).
4. Proportion the final figure to represent the level of attribution to AHL (in the case of renal dialysis, 5 per cent of the total benefit, recognising that the majority of the benefit is attributable to the provider of the treatment).

In contrast to benefits from accessing other services, for benefit areas where AHL's services are the primary service accessed (e.g. in the case of accessing accommodation to avoid homelessness), the proportion of the benefit attributable to AHL will be 100 per cent.

Measures have been taken to reduce the risk of double counting. The risk arises where a resident's reason for stay might cover 2 areas (e.g. a resident may be staying to avoid homelessness as a result of transitioning from prison). The model captures one primary reason for stay per unique resident stay to avoid double counting – noting that this is a conservative approach, which may not take into account the full range of benefits for people who are staying for multiple reasons.

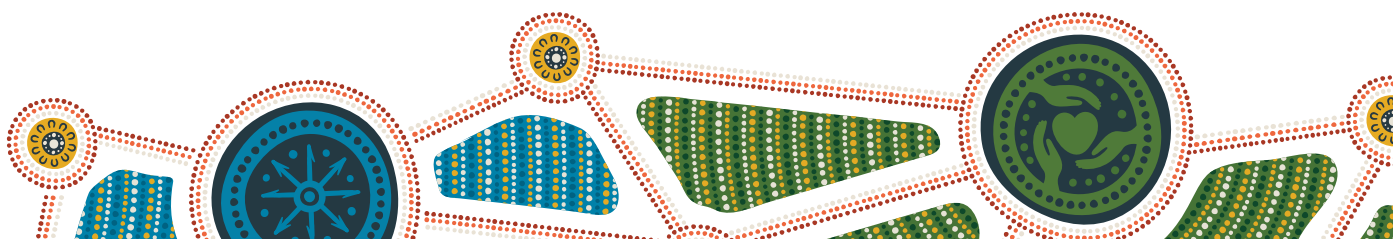
A full range of assumptions and attributions is contained in the overview of sensitivity analysis in Table 5 in Section 5 above.

A full range of benefits, including the rationale for their inclusion and their associated calculation methodology, is outlined in Table 6 overleaf.



Table 6 | Summary of benefits

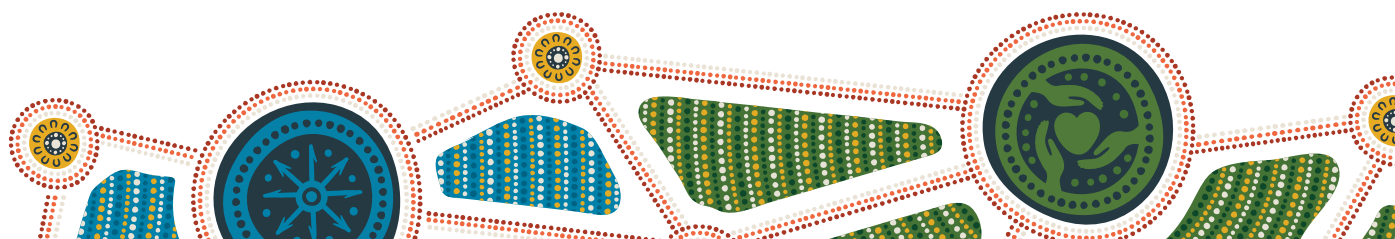
BENEFIT AREA	RATIONALE	CALCULATION
HEALTH AND NUTRITION		
Avoided health system costs through avoided hospital bed nights	AHL bed nights at Health and Medical and Multipurpose hostels enable First Nations people to access medical services across multiple days without staying overnight at a hospital. Hospital bed nights in public hospitals represent a cost to state and territory governments.	(Cost of a hospital bed night - cost of a bed night to AHL) x Number of medical bed nights that result in avoided hospital bed night
Improved health outcomes for residents receiving renal dialysis	AHL through providing cost-effective and culturally safe accommodation, can increase the likelihood that some people within this cohort access health services like renal dialysis, leading to improved life outcomes.	Number of residents receiving renal dialysis that would not have viable alternative accommodation without AHL x (Average increase in DALY from renal dialysis treatment x Value of a Statistical Life Year) x Attribution of benefit to AHL
Improved health outcomes for babies born to First Nations mothers	AHL plays a key role in supporting mothers, particularly from regional and remote regions, to access antenatal, perinatal, and postnatal care through providing secure and culturally safe accommodation. It is assumed that a proportion of the mothers who stay at AHL would not have first accessed antenatal care in the first trimester without being able to access affordable and culturally safe accommodation. By making it easier for mothers to access health services, AHL is likely to have reduced the rates of low birthweight births within this cohort.	Number of First Nations mother who would not have first accessed antenatal care without AHL x (Average DALY for babies born with low birthweight x Value of a Statistical Life Year)
Improved health outcomes for residents from improved diet	AHL provides 3 meals a day for its residents. It is likely that without this, a sizeable portion of AHL’s resident base would not be eating at the same standard. There is a health cost associated with a poor diet. The benefit of improved health outcomes through improved nutrition is captured as a benefit for residents.	Number of residents who does not have an alternative location to stay x DALY from dietary risk x (1+ lower socio-economic adjustment) x Attributable diet risk DALY increase to AHL
Improved life satisfaction through avoiding overcrowding	AHL provides viable alternative accommodation for residents who would otherwise be in overcrowded or otherwise inappropriate lodging. Of the total number of people experiencing homelessness in Australia in 2021, 39 per cent were living in ‘severely’ crowded dwellings (AIHW, 2024).	Number of residents staying at AHL to avoid overcrowded or inappropriate housing x (Value of improved life satisfaction from avoiding poor quality housing)
EDUCATION		
Uplift in income from educational attainment	AHL supports students, in particular those from rural/remote areas to access education. This enables students, who would not otherwise be able to, to access education and in some cases finish Year 12, or other levels of educational attainment.	Number of students who achieve educational attainment (Year 12, Cert III-IV) x PV (30-year average income uplift from education attainment)



BENEFIT AREA	RATIONALE	CALCULATION
Increase in government tax revenue from increase income.	Higher salaries lead to higher government tax revenue and reduced welfare expenditure. This benefit captures the additional tax revenue the Australian Government is set to receive from increased income due to educational attainment.	Number of students who achieve educational attainment x Marginal uplift in tax revenue to Government
EMPLOYMENT		
Uplift in income from employment opportunities	Some residents will stay at AHL to access employment opportunities. This may include those who have already found employment and are looking for somewhere to stay, or in some circumstances those who are moving to new areas to seek employment opportunities. In these circumstances, AHL provides First Nations people with safe and culturally safe accommodation while they seek economic opportunity.	Number of residents who increase their income through employment opportunities x marginal increase in income
Increase in government tax revenue from increased income	Higher salaries lead to higher government tax revenue and reduced welfare expenditure. This benefit captures the additional tax revenue the Australian Government is set to receive from increased income due to employment opportunities.	Number of residents who increase their income x Marginal uplift in tax revenue to Government
Improved life satisfaction through avoiding overcrowding	AHL provides viable alternative accommodation for residents who would otherwise be in overcrowded or inappropriate lodging. Of the total number of people experiencing homelessness in Australia in 2021, 39 per cent were living in 'severely' crowded dwellings (AIHW, 2024).	Number of residents staying at AHL to avoid overcrowded or inappropriate housing x (Value of improved life satisfaction from avoiding poor quality housing)
HOMELESSNESS		
Avoided health system costs to Government through reduced rates of rough sleeping	Of the residents who stay at AHL for homelessness or while waiting for housing, there is a proportion who would otherwise be rough sleeping. People who sleep rough have a higher number of health system and justice system interactions than unemployed youth (SGS, 2022). These figures are calculated as an annualised per person cost, and adjusted to apply to the general population.	Number of bed nights stayed at AHL to avoid rough sleeping for residents who do not have viable alternate accommodation x Avoided health system costs
Avoided costs to Government through reduced use of SHS services.	Specialist homelessness services (SHS) play a key role in supporting individuals who are homeless or at-risk of homelessness. While AHL is not a perfect replacement for SHS, it can be assumed from some proportion of residents who come to stay at AHL may be able to avoid accessing SHS, for example those waiting for housing or who require temporary housing. This in turn frees capacity to support other members of the community.	Number of residents staying at AHL to avoid rough sleeping who do not have viable alternate accommodation x (Recurrent cost per client accessing SHS)



BENEFIT AREA	RATIONALE	CALCULATION
<p>Avoided justice system costs to Government through reduced rates of rough sleeping</p>	<p>It is assumed that the cohort of AHL residents is likely to have a lower number of health system and justice system interactions than the general population, and these costs are adjusted downwards to reflect this. These annual system costs are broken down into a per person per night basis, and applied against bed nights for homelessness or waiting for housing to estimate the avoided costs to governments.</p>	<p>Number of bed nights stayed at AHL to avoid rough sleeping for residents who do not have viable alternate accommodation x Avoided justice system costs</p>
<p>Improved life satisfaction through avoiding overcrowding</p>	<p>AHL provides viable alternative accommodation for residents who would otherwise be in overcrowded or inappropriate lodging. Of the total number of people experiencing homelessness in Australia in 2021, 39 per cent were living in 'severely' crowded dwellings (AIHW, 2024).</p>	<p>Number of residents staying at AHL to avoid overcrowded or inappropriate housing x (Value of improved life satisfaction from avoiding poor quality housing)</p>
<p>TRANSITION FROM PRISON</p>		
<p>Avoided justice system costs through reduced rates of reoffending</p>	<p>48 per cent of people leaving prison expect to be homeless on release. Reoffending rates for First Nations people are higher than the general population, with an average of 60 per cent of young Indigenous prisoners expected to return to sentenced prison within 12 months across all jurisdictions (AIHW, 2024). People who sleep rough also have a higher number of health system and justice system interactions than unemployed youth (SGS, 2022). Providing people transitioning from prison with safe and culturally safe accommodation is likely to reduce the likelihood of reoffending, reducing the justice system costs borne by State and Territory governments.</p>	<p>Number of residents staying at AHL during their transition from prison x reduction in reoffending rate x average cost per sentenced First Nations prisoner</p>
<p>Avoided health system costs to Government through reduced rates of rough sleeping</p>	<p>48 per cent of people leaving prison expect to be homeless on release. People who sleep rough have a higher number of health system and justice system interactions than unemployed youth (SGS, 2022). These figures are calculated as an annualised per person cost and adjusted to apply to the general population.</p>	<p>Number of bed nights stayed at AHL to avoid rough sleeping for residents who do not have viable alternate accommodation x Avoided health system costs</p>
<p>Improved life satisfaction through avoiding overcrowding</p>	<p>AHL provides viable alternative accommodation for residents who would otherwise be in overcrowded or otherwise inappropriate lodging. Of the total number of people experiencing homelessness in Australia in 2021, 39 per cent were living in 'severely' crowded dwellings (AIHW, 2024).</p>	<p>Number of residents staying at AHL to avoid overcrowded or inappropriate housing x (Value of improved life satisfaction from avoiding poor quality housing)</p>
<p>DOMESTIC AND FAMILY VIOLENCE (DFV)</p>		
<p>Avoided health system costs from reduced rates of DFV</p>	<p>AHL provides a viable source of accommodation of First Nations people escaping DFV. The availability of services of like AHL increase the likelihood that First Nations people will leave a violent partner, reducing the costs borne on the health system.</p>	<p>Number of residents staying at AHL to escape DFV x avoided health system costs</p>



BENEFIT AREA	RATIONALE	CALCULATION
Improved health outcomes for individuals escaping DFV	In addition to health system costs, there is an individual gain to the individual escaping DFV through avoided harm. AHURI (2022) provides the average health outcome improvement through avoiding domestic violence through the provision of housing.	Number of residents staying at AHL to escape DFV x improved health outcomes
Improved life satisfaction for residents avoiding overcrowded or inappropriate housing	AHL provides viable alternative accommodation for residents who would otherwise be in overcrowded or otherwise inappropriate lodging. There is a quantifiable benefit from improved life satisfaction from avoiding poor quality housing.	Number of residents staying at AHL to escape DFV who would otherwise be in overcrowded accommodation x (Value of improved life satisfaction from avoiding poor quality housing)
TRANSITION FROM OUT-OF-HOME CARE (OOHC)		
Avoided health system costs to Government through reduced rates of rough sleeping	For people leaving OOHC, within 2 years 32 per cent are identified as homeless, 24 per cent have interactions with the justice system, and 80 per cent are admitted to hospital. The provision of culturally safe and secure housing enables young people leaving OOHC to avoid rough sleeping and homelessness, and in turn reduce the likelihood that they interact with the health system. This represents an avoided cost for state and territory governments.	Number of bed nights stayed at AHL to avoid rough sleeping for residents who do not have viable alternate accommodation x avoided health system costs
Avoided justice system costs to Government through reduced rates of rough sleeping	For people leaving OOHC, within 2 years 32 per cent are identified as homeless, 24 per cent have interactions with the justice system, and 80 per cent are admitted to hospital. The provision of culturally safe and secure housing enables young people leaving out-of-home care to avoid rough sleeping and homelessness, and in turn reduce the likelihood that they interact with the justice system. This represents an avoided cost for state and territory governments.	Number of bed nights stayed at AHL to avoid rough sleeping for residents who do not have viable alternate accommodation x Avoided justice system costs
Improved life satisfaction through avoiding overcrowding	AHL provides viable alternative accommodation for residents who would otherwise be in overcrowded or inappropriate lodging. Of the total number of people experiencing homelessness in Australia in 2021, 39 per cent were living in 'severely' crowded dwellings (AIHW, 2024).	Number of residents staying at AHL to avoid overcrowded or inappropriate housing x (Value of improved life satisfaction from avoiding poor quality housing)
CULTURALLY SAFE ACCOMMODATION FOR GENERAL TRAVEL		
Improved life satisfaction for residents avoiding overcrowded or inappropriate housing	AHL provides viable alternative accommodation for residents who would otherwise be in overcrowded or inappropriate lodging. There is a quantifiable benefit from improved life satisfaction from avoiding poor quality housing.	Number of residents staying at AHL to avoid overcrowded or inappropriate housing x (Value of improved life satisfaction from avoiding poor quality housing)



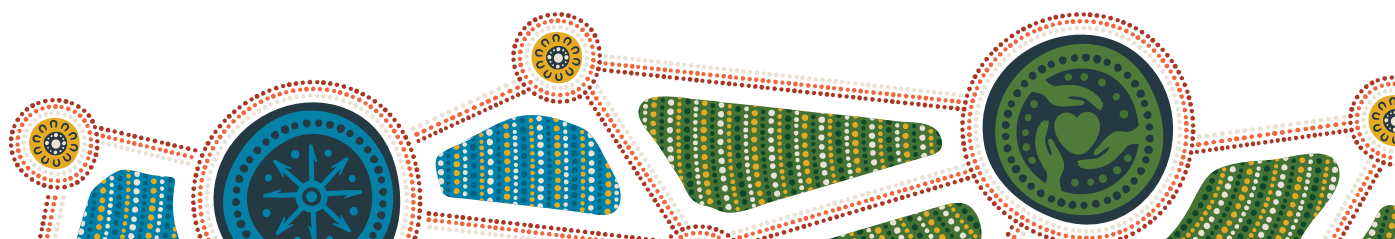
A.2 Assessing volume

The analysis assesses volume on a benefit-by-benefit basis. Each benefit has a unique benefiting population determined by the relevant resident’s access to alternative service, their reason of staying at AHL, academic evidence, and reasonable assumptions. Determined by the unit of measurement for the marginal benefits, volumes are calculated using unique resident and number of bed-night (BN) resided.

Table 7 demonstrates the methodology used for each assessed volume of the benefiting population for each benefit.

Table 7 | Benefiting population calculation methodology

BENEFITS	VOLUME	CALCULATION
HEALTH AND NUTRITION		
Avoided health system costs through avoided hospital bed nights	Number of AHL medical bed nights that avoid a hospital bed night	Number of BN stayed x proportion staying for accessing health services x proportion of only alternative being hospital BN
Improved health outcomes for residents receiving renal dialysis	Number of AHL residents who otherwise would not have accessed renal dialysis	Number of unique residents x proportion staying for renal dialysis x proportion without access to alternative services
Improved health outcomes for First Nations mothers	Number of First Nations mothers who would not have accessed antenatal care without AHL	Number of unique residents x proportion staying for accessing antenatal care x proportion without access to alternative services
Improved health outcomes for residents from improved diet	Number of AHL residents who received noticeably improved nutrition from staying at AHL	Number of unique residents x proportion of resident received noticeably improved nutrition
Improved life satisfaction due to avoiding overcrowded or inappropriate accommodation	Total number of avoided bed nights in overcrowded or inappropriate accommodation for health reasons	Number of BN stayed x proportion staying for health reasons x proportion without access to alternative services
EDUCATION		
Increase in annual income from educational attainment	Number of students who completed Year 12 Lifetime income uplift from completing Year 12	AHL data
Increase in government tax income from increased income	Number of students who completed Year 12 Lifetime income uplift from completing Year 12	AHL data
EMPLOYMENT		
Increase in annual income through employment	Number of residents whose employment status changed from; unemployed to casual employment, unemployed to full time employment, casual employment to full time employment	Number of unique residents x proportion staying for employment reasons x proportion without access to alternative services x (proportion of unemployed residents who find attributable part-time employment + proportion of unemployed residents who find attributable full-time employment + proportion of part-time employed residents who find attributable full-time employment)
Increase in government tax income from increased income	Number of residents whose employment status changed from unemployed to casual employment, unemployed to full time employment, casual employment to full time employment	Number of unique residents x proportion staying for employment reasons x proportion without access to alternative services x (proportion of unemployed residents who find attributable part-time employment + proportion of unemployed residents who find attributable full-time employment + proportion of part-time employed residents who find attributable full-time employment)
Improved life satisfaction due to avoiding overcrowded or inappropriate accommodation	Total number of avoided bed nights in overcrowded or inappropriate accommodation for employment reasons	Number of BN stayed x proportion staying for employment reasons x proportion without access to alternative services



BENEFITS	VOLUME	CALCULATION
HOMELESSNESS		
Avoided health system costs to government through reduced rates of homelessness	Annual bed nights for residents who would otherwise be homeless or rough sleeping	Number of BN stayed x proportion staying for homelessness reasons
Avoided justice system costs to government through reduced rates of homelessness	Annual bed nights for residents who would otherwise be homeless or rough sleeping	Number of BN stayed x proportion staying for homelessness reasons
Avoided SHS costs to government through reduced rates of homelessness	Number of residents who avoiding accessing SHS services through staying at AHL	Number of residents x proportion staying for homelessness reasons
Improved life satisfaction due to avoiding overcrowded or inappropriate accommodation	Total number of avoided bed nights in overcrowded or inappropriate accommodation for homelessness reasons	Number of BN stayed x proportion staying for homelessness reasons x proportion without access to alternative services
TRANSITION FROM PRISON		
Avoided justice system costs from reduced rates of reoffending	Number of residents who avoid reoffending due to AHL	Number of residents x proportion staying due to transitioning from prison x proportion without access to alternative services x proportion who return to prison due to homelessness
Avoided health system costs to government through reduced rates of homelessness	Annual bed nights for residents who would otherwise be homeless or rough sleeping due to transitioning from prison	Number of BN stayed x proportion staying due to transitioning from prison x proportion without access to alternative services
Improved life satisfaction due to avoiding overcrowded or inappropriate accommodation	Total number of avoided bed nights in overcrowded or inappropriate accommodation due to transitioning from prison	Number of BN stayed x proportion staying due to transitioning from prison x proportion without access to alternative services
DOMESTIC AND FAMILY VIOLENCE (DFV)		
Avoided health system costs from reduced instances of DFV	Number of residents who are able to escape DFV due to AHL	Number of BN stayed x proportion staying for DFV reasons x proportion without access to alternative services
Improved health outcomes for individuals avoiding DFV	Number of residents who are able to escape DFV due to AHL	Number of BN stayed x proportion staying for DFV reasons x proportion without access to alternative services
Improved life satisfaction due to avoiding overcrowded or inappropriate accommodation	Total number of avoided bed nights in overcrowded or inappropriate accommodation for DFV reasons	Number of BN stayed x proportion staying for DFV reasons x proportion without access to alternative services
TRANSITION FROM OUT-OF-HOME CARE (OOHC)		
Avoided health system costs to government through reduced rates of homelessness	Annual bed nights for residents who would otherwise be homeless or rough sleeping due to transitioning from OOHC	Number of BN stayed x proportion staying due to transitioning from OOHC x proportion without access to alternative services
Avoided justice system costs to government through reduced rates of homelessness	Annual bed nights for residents who would otherwise be homeless or rough sleeping due to transitioning from OOHC	Number of BN stayed x proportion staying due to transitioning from OOHC x proportion without access to alternative services
Improved life satisfaction due to avoiding overcrowded or inappropriate accommodation	Total number of avoided bed nights in overcrowded or inappropriate accommodation due to transitioning from OOHC	Number of BN stayed x proportion staying due to transitioning from OOHC x proportion without access to alternative services
CULTURALLY SAFE ACCOMMODATION FOR GENERAL TRAVEL		
Improved life satisfaction due to avoiding overcrowded or inappropriate accommodation	Total number of avoided bed nights in overcrowded or inappropriate accommodation for travel reasons	Number of BN stayed x proportion staying for travel reasons x proportion without access to alternative services



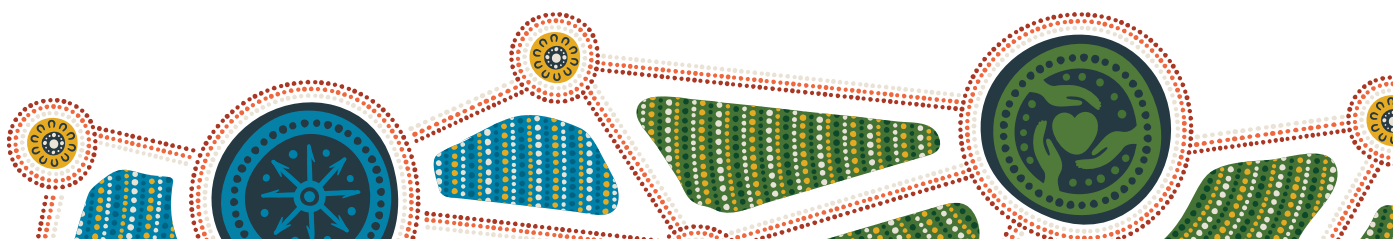
A.3 Defining the marginal benefit

Table 8 below outlines the range of benefits AHL produces for a range of beneficiaries, including residents, state and territory governments, Australian Government, and the community more broadly.

Table 8 | Indicative benefits

BENEFIT AREA	BENEFIT	MONETISED	NON-MONETISED
Health and nutrition	Improved quality of life	x	x
	Saved hospital bed days	x	
	Improved nutrition	x	
Education	Increased Year 12 attainment	x	x
Employment	Increased chance of finding employment	x	x
	Increased employment opportunities for First Nations people employed at AHL		x
Homelessness	Reduced likelihood of sleeping rough	x	x
Transitioning from prison	Reduced effects of overcrowding for families	x	x
	Reduced likelihood of sleeping rough	x	x
Domestic and family violence (DFV)	Reduced incidence of DFV by providing safe accommodation		x
	Avoided system cost of funding DFV crisis services	x	x
	Reduced effects of overcrowding for families	x	x
Transitioning from OOHC	Reduced likelihood of sleeping rough	x	x
Culturally safe accommodation for general travel	Culturally safe accommodation		x
	Reduced effects of overcrowding for families	x	x

The model determines the marginal benefit to AHL residents and other beneficiaries by reference to a counterfactual – the presumed base case if AHL did not exist. For each benefit type, a counterfactual was established through the Hostel Managers Survey. Hostel Managers were asked to identify what alternative options would be available to residents under each benefit type if AHL was not available, and to identify what percentage of residents would not have a viable alternative (i.e. would be forced to sleep rough, stay in overcrowded housing or otherwise go home prematurely). This was then used to proportion the volume data (either unique residents or bed nights) to determine the marginal benefit.



A.4 Defining the cost

AHL's services are mainly funded by the Australian Government, hostel residents and state and territory governments. The Australian Government provides direct funding through ordinary budget allocation. The NT Government owns Apmere Mwerre Visitor Park (AMVP) and funds AHL to operate it. Several agencies and organisations have arrangements with AHL to pre-book beds in hostels, which provides a source of income, while hostel residents also 'fund' AHL through the payment of hostel tariffs.

The cost of funding in the model was determined by reference to AHL's operating income between 2021–22 and 2023–24, and proportioned by the sources of funding.³⁶ These figures are extracted from AHL's statement of comprehensive income between 2021–22 and 2023–24.³⁷

Table 9 | Overview of funding sources

\$million	2021–22	2022–23	2023–24
Government funding			
Australian Government	\$37.9	\$37.7	\$44.1
State and territory government	\$2.4	\$2.5	\$2.6
Other funding			
Hostel accommodation revenue	\$15.0	\$16.3	\$18.1
Interest and other	\$0.9	\$1.6	\$3.9
Total funding (\$m)	\$56.2	\$58.1	\$68.7

³⁶ The proportion of funding provides an indicative estimation of AHL's services.

³⁷ Source: AHL Annual Reports 2021–2024



A.5 Glossary and Acronyms

ABS – Australian Bureau of Statistics.

AHL – Aboriginal Hostels Limited.

Avoided system costs – Expenses that are saved or not incurred due to the implementation of alternative measures or practices that improve efficiency, for example the avoided cost of a hospital bed night where a patient is able to stay in alternative accommodation.

BCR – Benefit cost ratio, compares the benefits of a service, product or activity to its costs. A ratio that is greater than one means the benefits are larger than the costs, indicating a positive investment.

CBA – Cost-benefit analysis, a systematic evaluation of the impact or performance of a service, product or activity. It emphasises, as far as possible, valuing the gains and losses from the service, product or activity in monetary terms.

Closing the Gap – The strategy agreed to by the Australian and state and territory governments to reduce disparity between First Nations people and non-Indigenous Australians on key health, education and economic opportunity targets. It is underpinned by the National Agreement on Closing the Gap.

Counterfactual – A scenario used in analysis to consider what would have happened if a certain event or decision had not taken place. It helps in understanding the impact of the actual event or decision.

Cultural safety – The practice of creating an environment where individuals feel respected and safe when accessing services, with their cultural identity and needs recognised and valued.

DALY – Disability adjusted life year, provides a measure of the overall burden of disease and disability on a population by combining both the years lost due to premature death and the years lived with disability.

DFV – Domestic and family violence.

Hostel Manager Survey – A survey sent to AHL's Hostel Managers and Heads of Boarding to collect additional data to inform the CBA model underpinning this report and associated analysis.

Marginal benefit – The additional benefit received from consuming one more unit of a good or service. It helps in understanding the value of incremental changes in consumption or production.

NPV – Net present value, the difference between the present value of benefits and the present value of costs over a period of time. It helps in determining the profitability of an investment.

OOHC – Out-of-home care.

Overcrowding – Occurs where a household does not have enough space to accommodate all its members adequately or where this results in occupants experiencing stress of various kinds.

Resident – A person staying at AHL hostels.

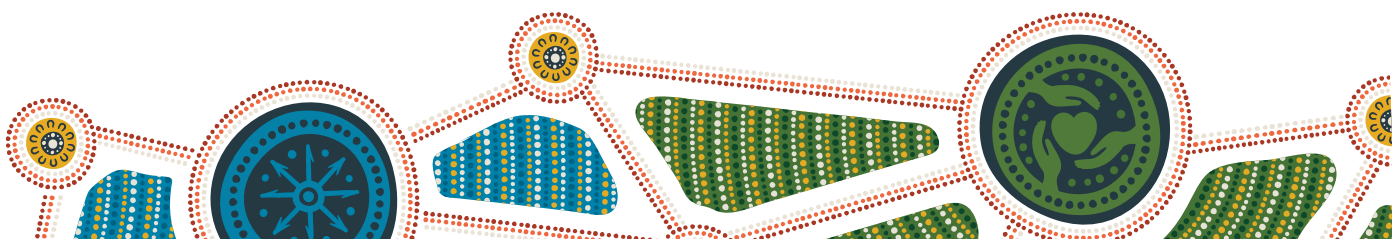
RMS – Resident Management System, the program used by AHL to record a resident's stay at AHL.

Sensitivity analysis – A technique used to determine how different variables or assumptions impact the outcome of a decision or model. It helps in understanding the robustness and reliability of the results under various scenarios.

S&T – State and territory.

SHS – Specialist homelessness services.

Tariff – The prescribed fee for staying at an AHL hostel per night. The tariff rate differs depending on the type of room (shared or sole occupancy), whether the resident is an adult, young person (2 to 20 years of age) or an infant, and a discounted rate is applied for tertiary education students. The tariff is pegged at 60 to 70 per cent of a single person JobSeeker and Rent Assistance payment to ensure sustained affordability.





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