



Australian Government
Aboriginal Hostels Limited



ABORIGINAL HOSTELS LIMITED

Strategic Plan

2017–19

Foreword

The Aboriginal Hostels Limited (AHL) Strategic Plan 2017–19 is intended to be read in conjunction with the AHL Corporate Plan 2017–2021.

While the Corporate Plan 2017–2021 sets the broad operating, governance and compliance contexts for the organisation over the coming five years, this Strategic Plan sets out a series of core operational and strategic priorities which the organisation will pursue in the context of a dynamic two-yearly horizon.

Both the Corporate Plan and Strategic Plan are endorsed by the AHL Board and are published in line with Australian Government best practice and accountability requirements.

Use of Aboriginal flag colours is by permission of the original artist, Mr Harold Thomas (Agreement in relation to past and future use enacted December 2016).

“In 2017–19 AHL will strengthen its focus on frontline services to ensure that the experience and customer service provided to every resident, in every hostel, every night, more than meets expectations of comfort and safety.”

Dr Susan Gordon AM, Chair

About AHL

Our vision

AHL's vision is to improve the quality of life and economic opportunity for Indigenous Australians.

Our purpose

AHL's purpose is to provide culturally safe, fit-for-purpose, affordable accommodation for Indigenous Australians who need to be away from home to access employment opportunities, and health, education and other services.

Our values

In delivering on its core purpose, AHL's values include:

Respect for

- our residents
- Aboriginal and Torres Strait Islander culture, protocols and language
- our staff
- our partner organisations and stakeholders

Accountability and commitment to

- Australian Government priorities for Indigenous Australians
- efficient and effective business practices and use of Government funds
- culturally safe and appropriate accommodation

Dignity and opportunity by

- being a learning organisation for residents and staff
- fostering teamwork, collaboration and meaningful engagement
- being an employer of choice for Indigenous Australians.

Our organisation

AHL is a not-for-profit company wholly owned by the Australian Government, with an independent, non-executive Board of Directors.

Our national network of 47 accommodation facilities offers Indigenous Australians access to a broad range of employment, health and other services. Stretching across New South Wales, Victoria, Queensland, Western Australia, South Australia and the Northern Territory, our network provides short stay, medical, renal and education accommodation services to a wide range of Aboriginal and Torres Strait Islander residents.

AHL's first hostel, Yumba Hostel, was officially opened on 12 January 1974. Since then, the company has maintained its commitment to delivering short-term accommodation to Aboriginal and Torres Strait Islander people who need to be away from their communities to access services and economic opportunity.

Each year AHL provides more than 400,000 bed nights to accommodate people living away from home. We provide three meals a day to most of our customers and ensure that they are engaged with the services they need.

Residents are charged a tariff rate that is affordable for recipients of Australian Government income support. The Australian Government provides funds to cover the gap between tariff income and the cost of providing the services.

AHL is one of the largest providers of employment and training for Aboriginal and Torres Strait Islander people, with more than 65 per cent of our workforce identifying as Indigenous.

AHL will continue to provide Indigenous Australians with safe, comfortable, affordable and culturally sensitive accommodation that enables them to access education, health services, legal advice, training and employment opportunities which might not be available to them in their home communities.

Organisational snapshot

Service delivery

Providing approximately 1,700 beds each night (including three meals daily) across a network of 47 medical, education and multipurpose accommodation facilities around Australia.

Financials

- \$127.6 million property portfolio
- \$36.6 million appropriation in 2017–18
- \$20.9 million revenue (tariff + contracted services)
- \$31 million payroll

Corporate goals

Relevance

Efficiency

Sustainability

People

National Office:

- Executive
- Two divisions
 - Corporate Services
 - Hostel Operations

Hostel network:

- Highest proportion of Indigenous staff in the APS, at 65 per cent
- 47 facilities across 6 states and territories, employing local staff

Business priorities

Core operational priorities

1. Facilities

- Clean, neat, safe, welcoming hostel environment
- Quality, appropriate meal service
- Quality hostel amenity

2. Customer Service

- Friendly, welcoming, helpful staff
- Understand our customers' needs
- Efficient, responsive service delivery

3. Workforce

- Professional, contemporary workforce (hospitality focus)
- Increase professionalisation
- Right people in right jobs doing right work (recruitment and performance management)
- Safety first

4. Efficiency and effectiveness

- Operate within budgets and regulatory requirements
- Minimise waste and duplication
- Meet or exceed occupancy targets
- Streamlined assets/ infrastructure management
- Diligent governance and compliance

Operating environment in 2017–18

In response to a constrained financial environment, and against a background of increasing costs, AHL has instituted a five-point Consolidation Plan to stabilise its financial viability over the next 12 months and in out years. The Consolidation Plan includes the largest suite of savings measures and structural realignment AHL has implemented at any one time.

Broadly, it aims to address:

1. **Financial Sustainability**—major savings measures
2. **Business Efficiency**—significant further restructuring

3. **Improved Service Delivery**—renewed focus on hostel operations
4. **Improved Asset Management**—targeted investment, planning framework and asset management systems
5. **Development of a focused strategic agenda.**

Under the plan, AHL will employ all necessary means to achieve a break-even financial result in 2017–18. Given this, the next 12 months will be a period of consolidation—in which the Board and Executive will work to stabilise the organisation through a period of significant structural change and financial constraint.

The Consolidation Plan now forms the basis of cascading internal 2017–18 business plans.

Supply and demand issues

Demand for short-term accommodation will continue over the next decade and will require AHL to ensure that our accommodation facilities are of the right property type, in the right location and deliver the right mix of services. AHL continues to assess the performance of its facilities to ensure they align with current demand.

Available data indicates:

- Demand for AHL's accommodation services will continue and there is strong potential to expand the customer base in coming years.
- Education-related accommodation services continue to be in demand, with opportunities for growth in the medium term.
- Demand for tertiary education accommodation has experienced continued strong growth off the back of rises in Indigenous higher education enrolments. However, unlike AHL's other segments, there is no market failure in the provision of tertiary education accommodation.
- The very high burden of chronic disease and disability among Indigenous adult populations indicates that demand for access to health services and hospital care is likely to increase. The greatest unmet demand presently and into the future is likely to be for health care accommodation services.
- The overrepresentation of Indigenous Australians in homeless populations indicates continued need for AHL's services in this sector. (AHL's current short-term accommodation mandate, as well as tariff structure and multipurpose hostel configuration, may not support medium or longer term transitional accommodation solutions).
- There is opportunity in coming years for AHL to make a contribution to reducing housing pressures and homelessness for juveniles and adults exiting the justice system, by working in partnership with qualified service providers.

Strategic priorities for 2017–19

In addition to AHL's core operational and consolidation priorities referred to in this Strategic Plan and AHL's overarching Corporate Plan, the Board has set a focused strategic agenda for 2017–19 to secure the company's financial viability and realign AHL's service footprint to better cater to accommodation demand in coming years.

A forward strategic agenda has been developed, based on the following underlying principles:

- AHL should not be in competition with other providers and should operate only in areas of market failure.
- AHL should not provide services in areas the Commonwealth already funds.
- AHL's service footprint should be in the health, secondary education and multipurpose segments.
- AHL must continue to operate within budgets, and will explore alternative funding sources and/or partnerships where needed to achieve its objectives.
- AHL will reassess its contribution to the growth in demand for more medium-term, transitional accommodation. However, AHL will not move into social or other forms of public housing provision.

Strategic priorities and actions

2017–19

Strategic priorities	Objectives	Actions
Sustainability and relevance	<ul style="list-style-type: none"> Continue to own and/or manage properties to standard and within budget Review and realign current hostel portfolio to meet contemporary needs and expectations Respond to new business opportunities with evidence-based decision-making Acknowledge and respond to the growth in demand for medical and post-correctional accommodation, as well as transitional accommodation for homeless Indigenous people 	<ol style="list-style-type: none"> Achieve further efficiencies through strategic asset management and improve impact <ul style="list-style-type: none"> Develop an Asset Management Framework and Asset Management Plan, including condition assessments and mapping of client needs to purpose at each site (using demographic and other client research data) Review individual hostels to assess fitness for purpose and future alternative use Create a new service delivery focus on transitional accommodation options for at-risk market segments
Purpose and mandate	<ul style="list-style-type: none"> Make further improvements to the current short-term accommodation service offering Move beyond short-term accommodation where there is a demonstrated need for transitional services (acknowledging that AHL already operates outside its short-term remit) Reinforce that AHL does not provide wraparound support services, except via referral to providers of those services OR where additional specific funds are sourced Become more informed about what residents want/need in each hostel service category 	<ol style="list-style-type: none"> Seek to renegotiate AHL's service mandate with Government to: <ol style="list-style-type: none"> More clearly reflect AHL's role beyond short-term accommodation (e.g. transitional accommodation for homeless Indigenous Australians) Enable greater flexibility in responding to need Realise opportunities to broaden AHL's income base Review, and build an evidence base for, customer needs using demographic and socioeconomic data for each segment, using market research where required
Engagement	<ul style="list-style-type: none"> Strengthen relationships with key state and territory stakeholders Examine AHL's longer term market identity and presence 	<ol style="list-style-type: none"> Develop a comprehensive Stakeholder Management Plan to increase presence, influence and opportunities in the marketplace and across governments Explore options for future staged rebranding
Organisational culture	<ul style="list-style-type: none"> Foster a professional, outcomes-focused corporate culture Provide recognition and career pathways for staff Maintain/ increase staff retention 	<ol style="list-style-type: none"> Develop a comprehensive HR Management Plan Leverage Performance Management Plans to support Strategic and Business Plan objectives

Planning framework

The objectives and priorities of this Strategic Plan have been embedded into a new suite of cascading business plans for implementation and monitoring by the AHL Executive and Board.

The following diagram is an overview of AHL's planning framework:



Relevant legislation

The Strategic Plan 2017-19 has regard to and draws on:

- The *Constitution of Aboriginal Hostels Ltd*
- Ministerial Statement of Expectations and corresponding AHL Statement of Intent
- *Corporations Act 2001*
- *Commonwealth Authorities and Companies Act 1997 (CAC Act)* and its successor, the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* and the PGPA Rule
- *Aboriginal and Torres Strait Islander Act 2005*
- *Public Service Act 1999*
- *Auditor-General Act 1997*
- *Privacy Act 1988*
- *Commonwealth Electoral Act 1918*
- *Freedom of Information Act 1982*
- *Work Health and Safety Act 2011*
- *Archives Act 1983*
- *Fair Work Act 2009*
- *Safety, Rehabilitation and Compensation Act 2008*



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