



**Australian Government**  
**Aboriginal Hostels Limited**

**Aboriginal Hostels Limited**

# **Corporate Plan**

## **2016–2020**

## Introduction

The Directors of Aboriginal Hostels Limited (AHL), as the accountable authority, present the 2016-20 AHL Corporate Plan, which covers the period 2016-20, as required under paragraph 95(1)(b) of the *Public Governance, Performance and Accountability Act 2013*. The Corporate Plan incorporates, and will build upon, the Aboriginal Hostels Limited Strategic Plan 2014–2017.

Aboriginal Hostels Limited provides temporary accommodation through a national network of accommodation facilities for Aboriginal and Torres Strait Islander people who are travelling, relocating or must live away from home to access educational, employment-related and health opportunities.

AHL is an Australian Government company limited by guarantee and incorporated under the *Corporations Act 2001*. The Australian Government, through the responsible Minister, is the sole member of the company.

Tens of thousands of Aboriginal and Torres Strait Islander people use the services provided by AHL each year. In 2016–17 AHL will strengthen its focus on frontline services to ensure that the experience and customer service provided to every resident, in every hostel, more than meets expectations of comfort and safety.

AHL's future must be one that is responsive and innovative. AHL will work closely with Government in 2016–17 in consideration of findings and recommendations made as part of the AHL Review.

Dr Susan Gordon AM  
Chairperson  
August 2016

## Purpose

AHL provides or facilitates safe, culturally appropriate and affordable accommodation for Indigenous Australians who must live away from home to access services, in particular education and economic opportunity. AHL seeks to improve the quality of life and economic opportunities for Indigenous Australians.

## Values

Our Australian Public Service Values:

Impartial

Committed to service

Accountable

Respectful

Ethical

## Environment

The following describes the environment in which the AHL will conduct its operations over the period covered by this plan.

### Supply and demand for short term accommodation services

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 delivering the right mix of services. AHL continues to assess the performance of its facilities and is focusing on strategic divestments and redevelopment projects in key regions.

## Facilities

AHL maintains a \$126.5 million property portfolio and operates 47 hostels around Australia which provide up to 1,800 beds each night. Our facilities offer safe, secure accommodation where positive behaviour in a social and learning environment is encouraged. Clients are provided three meals a day and are assisted to obtain the support services they need.

Clients are charged a tariff that is affordable for recipients of Australian Government income support payments. AHL's tariff policy aims to provide a dual incentive for AHL to control its costs and lift occupancy while setting rates that are affordable and provide value for money for clients. AHL subsidises the gap between tariff income and the cost of providing hostel services.

## Locations

AHL's service delivery network consists of five regions: Western Australia, Top End, Queensland, South-Eastern Australia and Southern Central Australia.

## People

AHL employs a workforce dedicated to delivering accommodation services, and has a strong track record in workplace diversity. At 30 June 2015, AHL had 509 employees of whom 66% were Indigenous - the highest level of Indigenous representation in an Australian Public Service agency.

Our staff are integral to our business. To support their work in underpinning the AHL Corporate Plan we will:

- Actively seek to employ Indigenous Australians at all levels;
- Actively recruit, retain and develop our workforce;
- Attract and retain staff with the right mix of skills that embrace and apply our values.

## Performance

During the period of this Corporate Plan, AHL will deliver a network of accommodation services across Australia that provide special purpose accommodation for Aboriginal and Torres Strait Islander people. AHL will continue to deliver a programme of planned maintenance and capital investment to deliver greater consistency in the standard of accommodation across facilities.

AHL continues to undertake regular reviews of all activities and programmes to ensure that existing and new services align with its strategic objectives and Government priorities.

## Key Performance Indicators

AHL delivers its accommodation to a consistent standard by service type.

<b>Occupancy level as a percentage of resident bed nights available per annum.</b>				
	2016-17 Budget	2017-18 Forward estimate	2018-19 Forward estimate	2019-20 Forward estimate
Occupancy level as a percentage of resident bed nights available	70%*	70%*	70%*	70%*

Source: Prime Minister and Cabinet Portfolio Budget Statements 2015-16

<b>Occupancy level as a percentage of resident rooms available per annum.</b>				
	2016-17 Budget	2017-18 Forward estimate	2018-19 Forward estimate	2019-20 Forward estimate
Occupancy level as a percentage of resident rooms available	80%*	80%*	80%*	80%*

\* Targets represent the average of total beds and rooms occupied annually expressed as percentages of the total number of beds and rooms available annually across three differing types of accommodation services (multipurpose hostels, secondary education hostels and health/medical hostels) for all 47 service sites located across urban, regional and remote Australia. The targets do not take into account geographical location, population, local circumstances or any other factors affecting client demand for accommodation services.

# Capability - Strategic Imperatives, Goals and Actions to Achieve Our Purpose

The following describes the capability the AHL will require to fulfill its purpose over the life of this plan.

## Indigenous affairs

AHL is part of the Prime Minister and Cabinet (PM&C) Portfolio which has responsibility for Commonwealth Aboriginal and Torres Strait Islander policy, programmes and service delivery. The Portfolio comprises seven non-corporate Commonwealth entities, eight corporate Commonwealth entities, and three Commonwealth Companies under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Commonwealth's priorities in Indigenous affairs are to improve the lives of Indigenous Australians through increased participation in education and work, making communities safer where the ordinary rule of law applies, and working closely with other Australian Government Departments to lead efforts to ensure mainstream policy, programmes and services deliver benefits to Indigenous Australians.

AHL supports PM&C as an integral provider of, and primary adviser on, accommodation that supports the Australian Government's effort to overcome Aboriginal and Torres Strait Islander disadvantage and in being agile to respond to challenges, trends and opportunities that support Government

priorities, ongoing business efficiency and operating sustainably.

## A period of review and implementation of the Australian Government's Contestability Framework

The report of the National Commission of Audit - Towards Responsible Government (2014), noted that AHL is delivering outcomes consistent with its purpose. The report however recommended a review by the Department of the Prime Minister and Cabinet of AHL's statutory model including options to merge with other commercially focussed agencies within the portfolio.

Since then the Australian Government has commenced implementation of the *Efficiency through Contestability Programme* to assess its functions and to determine if performance can be improved through alternative structures, processes or provider arrangements. Contestability encourages Commonwealth entities to adopt a more commercial mindset and seek ways of improving the performance of existing or proposed government functions.

During 2015-16, AHL's functions and efficiency was reviewed, with consideration now underway to an optimal business and funding model going forward.

## Our Four Strategic Imperatives

Our strategic imperatives moving forward are:

01



### To be **RELEVANT**

By providing and advising on accommodation services that support the Australian Government's efforts to overcome Indigenous disadvantage  
By operating in locations of greatest need, focussing on education, training, employment and health

02



### To be **EFFICIENT**

By increasing utilisation and customer satisfaction across our hostel network  
By delivering a consistent standard of accommodation across Australia

03



### To operate **SUSTAINABLY**

By operating within available resources through sound financial management  
By sustainably managing and maintaining our property portfolio of Commonwealth assets

04



### To recognise the need for **TRANSFORMATIONAL CHANGE**

By being responsive to opportunities that support our strategic imperatives  
By improving our workplace health and safety performance

## Our Goals During the Period of this Corporate Plan

To achieve our four strategic imperatives during the period of this Corporate Plan, we are working towards achieving eight goals.

### A: STRATEGIC IMPERATIVE: RELEVANCE

Alignment with Australian Government priorities including the Government's key priorities in Indigenous Affairs.

#### Goal 1:

To be a key provider of, and an adviser on, accommodation that supports the Australian Government's efforts to overcome Aboriginal and Torres Strait Islander disadvantage.

#### Action

1.1 AHL will increase its level of engagement within and across government to influence policy priorities and work with key stakeholders with a common purpose.

#### Goal 2:

To operate in locations of greatest need, in priority areas of education, training, employment and health.

#### Action

2.1 Proactively communicate with our clients and our stakeholders.

2.2 Focus efforts on priority areas of health, employment, training and education in locations where there is high demand and there is market and program failure.

2.3 Regularly review the performance of our hostels to inform decisions about appropriateness of closure, upgrade or outsourcing.

### B. STRATEGIC IMPERATIVE: ONGOING EFFICIENCY

Working towards a management system for Indigenous accommodation services that maximises the benefits to our clients.

#### Goal 3:

To increase utilisation and customer satisfaction.

#### Action

3.1 Increase room/bed occupancy.

3.2 Review tariff periodically to increase revenue with regard to client disadvantage, equity and consistency.

**Goal 4:**

To deliver consistent standard of accommodation services, by service type, across Australia.

**Actions**

- 4.1 Leverage purchasing power to build long term sustainability.
- 4.2 Collect data for continued business improvement, evidence based reporting and decision making.
- 4.3 Plan to ensure AHL's workforce is responsive to AHL's future focus.
- 4.4 Maintain high standards of corporate governance.

**C. STRATEGIC IMPERATIVE:  
OPERATING SUSTAINABLY**

AHL will operate within funding and revenue margins and make decisions based on the provision of improved services to clients and the sustainability of the company.

**Goal 5:**

To have sound financial management practices to operate within available resources.

**Actions**

- 5.1 Operate within funding and revenue stream for future annual breakeven end of financial year result.
- 5.2 Ensure any existing third party accommodation services will operate on a full cost recovery basis through long-term contracts with government and industry.
- 5.3 Seek new sources of revenue, including contributions from existing program revenue streams and clients.
- 5.4 Enter public, private and not-for-profit partnerships that improve efficiency and service delivery to clients.

**Goal 6:**

To sustainably manage and maintain the property portfolio of Commonwealth assets.

**Actions**

- 6.1 Divest assets and operations which do not meet threshold guidelines for occupancy and where market failure is no longer evident.
- 6.2 Increasingly being the operator and not the owner of land or property associated with new service sites.

## D. STRATEGIC IMPERATIVE: TRANSFORMATIONAL CHANGE

AHL has a high performing culture that embraces change, safety and diversity.

### Goal 7:

To more rapidly respond to challenges, trends and opportunities that support relevance, ongoing efficiency and operating sustainably.

#### Actions

7.1 Hostels, Regions and National Office will rapidly respond to challenges, trends and opportunities that impact performance.

7.2 Continuous communication and monitoring of the Corporate Plan and alignment with Business Plans.

7.3 Improving utilisation of value-add administration and business systems.

### Goal 8:

To significantly improve our workplace health and safety performance.

#### Actions

8.1 An annual staff survey will be undertaken.

8.2 Pursue leading practice industry/sector parity in performance and workplace health and safety.

## Risk Management

AHLS's approach over the life of this plan to managing risk is based on AS/ANZ ISO 31000: 2009 Risk Management – Principles and Guidelines and the nine (9) elements of the *Commonwealth Risk Management Policy 2014*. Consistent with this policy framework, AHL has developed an Integrated Risk Management Framework that sets out the key principles that guide risk management at all levels – hostels, regions and nationally and the key organisational components and arrangements for managing risk within the company. These include policy, appetite, risk culture, design principles, roles and accountabilities, management of shared risk, capture and reporting, and system components.

Key Organisational Controls for major risks are:

1. Business Continuity Management
2. Critical Incident Management
3. Fraud Control; and
4. Workplace Health and Safety Management.

The AHL Board has overall responsibility and accountability for ensuring AHL's systems of internal control and risk management are in place and are functioning correctly.

## Appendices

**Appendix A** – Minister’s Statement of Expectations

**Appendix B** – AHL Statement of Intent