The funding and delivery of programs to reduce homelessness: the case study evidence

Inquiry into funding and delivery of programs to reduce homelessness

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Acronyms and abbreviations used in this report

ABS	Australian Bureau of Statistics
ACNC	Australian Charities and Not-for-profits Commission
ACT	Australian Capital Territory
AFL	Australian Football League
AHURI	Australian Housing and Urban Research Institute Limited
AOD	Alcohol and Other Drug
CANSAS	Camberwell Assessment of Need Short Appraisal Schedule
CAV	Centre Against Violence
NECAMHS	Northeast Child and Adolescent Mental Health
CAP	Crisis Accommodation Program
CBD	Central Business District
CEEP	Creating Employment and Educational Pathways
CSHA	Commonwealth State Housing Agreement
DHHS	Department of Health and Human Services (Victoria)
DV	Domestic Violence
HHS	Homeless Health Service (St Vincent's Hospital, Sydney)
HONOS	Health of Nations Outcome Scale
HRE	HomeGround Real Estate
MA	Mission Australia
MASH	Massachusetts Alliance for Supportive Housing
MOU	Memorandum of Understanding
MPIP	Management of Public Intoxication Program
NAHA	National Affordable Housing Agreement
NESAY	North East Support and Action for Youth
NGO	Non-Government Organisation
NPAH	National Partnership Agreement on Homelessness
NRAS	National Rental Affordability Scheme
NYC	National Youth Commission
PIRE	Property Initiatives Real Estate

ROI	Rate of Investment
SAAP	Supported Accommodation and Assistance Program
SAHSSI	Supported Accommodation and Homelessness Services Shoalhaven
SHS	Specialist Homelessness Service
SIB	Social Impact Bond
TAFE	Technical and Further Education.
WPI	Women's Property Initiatives

Glossary

A list of definitions for terms commonly used by AHURI is available on the AHURI website www.ahuri.edu.au/research/glossary.

Executive summary

Key points

This report forms part of an AHURI Inquiry into the funding and delivery of programs to reduce homelessness. It provides evidence from case studies of homelessness services into how services supporting those experiencing homelessness are funded, and how different forms and levels of funding impact on the delivery of homelessness assistance. This evidence is based on nine case studies focused on different service models, organisational forms and potential new ways of funding services for the homeless.

- Sources of non-government funding outside of the Specialist Homelessness Services budget are unlikely to provide a significant contribution to reducing homelessness in the foreseeable future: the funds raised are relatively small; they are used to supplement/complement mainstream services; raising funds requires the allocation of resources, particular skills, intensive time and energy.

- Philanthropic grants are used by homelessness agencies for new initiatives and innovation but are not available to recurrently fund service provision.

- Fund raising from the community has preconditions such as strong brand recognition, location, and target groups that appeal to funders. Some homelessness agencies such as faith-based Non-Government Organisations (NGOs) or agencies working with particular target groups or providing services such as foodbanks or material aid have more opportunities than others.

- There is some evidence of social enterprise development but usually for ancillary activities and services such as revenue raising in an associated area of expertise and, employment services for those who are experiencing homelessness. This sector would benefit from capital start-up funding from government.

- Social impact bonds are a growing area, but for much wider application this will require a more sophisticated and rigorous approach to outcomes measurement.

- Partnership arrangements are an important alternative where agencies do not have the funds or expertise to deliver an integrated suite of homelessness services.

- The following policy implications emerged from the case studies:

— early intervention and postvention strategies are necessary to reduce homelessness and thus reduce the upward pressure on the homelessness budget

— integrated cross-sectoral and cross-departmental funding packages could achieve greater efficiencies than current arrangements

— co-funding of time-limited special projects and innovation by government with the philanthropic sector

Key findings

This report is one of three reports which form part of an AHURI Inquiry into the funding and delivery of programs to reduce homelessness. It provides evidence from case studies of homelessness services into how services supporting those experiencing homelessness are funded, and how different forms of funding and the level of funding affects the delivery of homelessness assistance. These case studies allowed for more in-depth examination of some funding issues.

The findings of the nine case studies are consistent with those of Flatau, Wood et al. (2016) that the main form of funding for homelessness services comes from the National Partnership Agreement on Homelessness, together with funding from a range of other mainstream Commonwealth and State funds. This is supplemented by non-government income from rents where an agency owns or manages its own housing stock, as well as other sources such as philanthropy, corporate sponsorship and donations, public donations, bequests, fundraising activities, etc. These additional sources of funds are usually only a small proportion of income for agencies, with the exception of larger welfare organisations such as The Salvation Army, Mission Australia and St. Vincent's Hospital.

The overall funding picture presented in the case studies is one of complexity and diversity. Diverse funding was found in North East Support and Action for Youth (NESAY), a small regional youth agency, as well as large agencies such as Mission Australia and Launch Housing. Having a diversity of program options has benefits for clients but carries a greater administrative and accountability loading due to different program funding targeted to different groups of clients, designed for different purposes, requiring different funding agreements, different reporting requirements and which begin and end at different times.

The case studies provided a range of examples of philanthropic grants used by agencies to attempt something new or to pilot an innovation. Wintringham, providing supportive housing and aged care services for highly disadvantaged persons and people experiencing homelessness, has received a series of significant philanthropic grants or donations on a one-off basis to fund the acquisition and building of residential aged care facilities. Other organisations, such as Mission Australia and St Vincent's Hospital, also obtain significant tranches of philanthropic funding but informants indicated that success in this area requires additional resources and the appropriate skills to develop relationships and opportunities. Corporate donations are obtained by agencies, small and large. Corporate donations tend to involve either in-kind contributions by staff or cash donations from the company and/or staff over a period of time. From experience, the potential for significant private funding of Specialist Homelessness Services (SHS) was thought to be fairly limited.

Social impact bonds are a relatively new business-like way of attracting private investment and there is keen interest in them as a promising model for mobilising private sector funds around a business proposition to ameliorate a social problem. It is still early days in terms of assessing what the scope and limitations of this approach will be in the longer term. There are questions as to what social issues this kind of funding might be most viable for. The more complex the social issue, the more difficult is it to measure outcomes.

In the cases studied, agencies were involved in partnerships on the ground with other agencies and services. The benefits of partnerships include the provision of integrated services that meet a range of client needs, and systemic approaches to addressing homelessness. The agencies intervene at different points of the spectrum of responses, from early intervention to crisis support. However, they all indicated the importance of multi-sector collaboration and partnerships.

Funding concerns are often the driving force behind service expansion and diversification. However, in the cases studied, the agencies had a strong commitment to social justice and

fundraising was focused on initiatives that served to achieve their mission or improve the services they could provide to clients, rather than chasing funding opportunistically.

Agencies in the case studies expressed a drive to find alternative sources of funding to government funding, although multiple sources of funding generally required multiple accountabilities. While this did not constrain service delivery for some agencies because they had a demonstrated capacity in managing policy and funding changes, other agencies reported greater difficulty.

In discussions about impact investing and performance-based payment (payment by results), which depend on robust outcomes measure and data, agency representatives expressed strong views that contracts and payments should be based on performance and that outcomes should be more precise and holistic than self-reported activity data. Some of the challenges with outcomes measurement included:

- Comparing heterogeneous groups of people with diverse support needs and goals is difficult because devising a common set of outcome indicators is difficult—even sophisticated measures of clinical effectiveness or met need, such as the Health of the Nation Outcome Scale (HONOS) and the Camberwell Assessment of Need Short Appraisal Schedule (CANSAS), have known limitations as outcome measures.

- Client-led goals may be different from agency or funding body goals.

- Risk of perverse incentives such as performance-based contracts may reward agencies whose clients meet outcomes that are unrealistic for people with complex support needs.

All of the agencies supported the principles of measuring outcomes, and acknowledged the limitations of traditional measures of outputs. Notwithstanding these attempts at measuring outcomes in a meaningful way, in an environment where funding comes from a range of sources requiring different reports on outputs to justify expenditure, the measurement of outcomes is often weak.

The most sophisticated and ambitious attempt to measure the efficacy of a model is the funded five-year evaluation of Launch Housing's and the Brotherhood of St. Laurence's Education First Foyers. Joint funding from the Victorian Government and a philanthropic foundation have ensured an ongoing process of evaluation that includes outcomes measures. Another good example is the Micah Projects Street to Home program where data on rough sleeping suggests that their service model has successfully reduced rough sleeping in the Brisbane CBD.

SHS agencies dependent on a single source of funding are vulnerable when governments undertake major reform and restructuring of the homelessness sector. A more diverse funding mix was seen as a factor that rendered agencies resilient to such changes. The larger agencies in the case studies spoke of the advantages of organisational size and a diverse mix of funded programs.

Social enterprises are businesses that seek to address social problems while operating on commercial principles. Two of the case study social enterprises—Women's Property Initiatives and HomeGround—sought to further their respective missions by establishing social enterprises that would meet the housing needs of their homeless clients. Their establishment was assisted by using the existing capability and infrastructure of the auspicing agency. The other two initiatives—The Big Issue and STREAT—do not provide explicit homelessness or housing support, but they do provide opportunities through employment experience to facilitate independence and freedom from homelessness. The success of each enterprise is the result of years of work behind the scenes. Ensuring alignment with the organisation's existing activities and broader mission is important from both a feasibility and ideological perspective. While this results in different enterprise structures and internal decisions in different organisations, all of

the organisations in the social enterprise case studies were cognisant of their broader mission when making service expansion decisions.

Policy development options

The case studies provided evidence for four policy implications that may have much broader systemic application.

- *Early Intervention and postvention strategies*

  Increased expenditure on homelessness services does not of itself address the issue of reducing homelessness. The two strategic policy perspectives—early intervention or 'turning off the tap' and postvention or 'breaking the cycle' have remained under-developed since the 2008 Australian Government's White Paper. There is clear evidence that additional cost savings are associated with early intervention that reduces the flow of people into homelessness and, with postvention rapid rehousing or Housing First initiatives coupled with supportive housing options for people with high and complex needs.

- *Integrated cross-sectoral and cross-department funding packages*

  A diverse funding mix is to be found in both large and small agencies and this appears to be a trend. However, the common complaint is that the benefits of diverse programs come with additional administrative and accountability costs. Furthermore, agencies rather than governments are then left with responsibility for effecting the coordination and integration of services from diverse sources of funds. The policy implication is that government funding could be packaged or pooled on the basis of cross-departmental funding of better integrated services for people experiencing homelessness with an efficiency dividend and the potential for greater effectiveness due to integration and improved case coordination.

- *Government and philanthropic/corporate co-funding projects*

  Agencies make resourceful use of philanthropic and corporate funding opportunities, but in total these comprise a small proportion of the recurrent services budget. Such funding is typically time-limited, constrained to special projects or innovation and not available for the recurrent funding of service provision. A policy implication is the idea of cofounding of special projects and innovation by governments in partnership with the philanthropic sector.

- *Rigorous experimental trials of social impact bonds*

  Two new forms of non-government funding are social enterprises and social impact bonds. Quite a few social enterprises have sprung up; some appear to be prospering while others struggle. Generally, they underwrite ancillary or additional support services. It is unlikely that many homelessness agencies are in a position to develop successful social enterprises. Social impact bonds that promote a business investment model for mobilising private capital investment have potential, Governments should be encouraged to pursue this line of development with critical optimism, to work out what exactly is most appropriate for this kind of funding, what its limits are and how the outcomes measurement challenges can be addressed.

The study

This AHURI Research Project, *The funding and delivery of programs to reduce homelessness: the case study evidence* is a component of the broader AHURI Policy Inquiry into the funding of homelessness services in Australia. The Inquiry seeks to build policy- and practice-relevant evidence to help fill the gap in knowledge about the financing of services supporting homeless people, to consider the current policy environment surrounding homelessness funding and

service delivery, and to make recommendations for the future of homelessness funding in Australia.

The *AHURI Australian Homelessness Funding and Delivery Survey* provided detailed financial information on funding sources and some qualitative response options, but this case study approach was designed to elicit more detailed information from service providers on the impact that funding has on service provision, how the agency is structured and its achieved outcomes (the impact of funding). The case studies sought to answer two questions within the Policy Inquiry, viz.

Research Question 2: What is the impact of the funding mix on the nature, structure and types of services provided and the extent to which these support different groups of homeless people?

Research Question 3: What is the relationship between the funding mix and service structures on the one hand and the outcomes for people who are at risk of, or are experiencing, homelessness?

In view of these two research questions, the nine case studies were selected purposively: a selection of service models, organisation types, new models of income generation, and potential new funding sources:

- An agency providing aged-care to homeless and highly disadvantaged elderly individuals: there is a relatively small number of agencies that specifically specialise in providing aged-care for homeless and highly disadvantaged people: on this basis Wintringham, a pioneer in this field and a relatively large agency, was selected.

- A large organisation that received significant funding as an SHS but also a range of other government-funded programs, significant charitable donations, and other sources of funding: Mission Australia (MA) was selected for this category.

- A youth-based agency working with at-risk and/or homeless young people and the Reconnect program: the selection of North East Support and Action for Youth (NESAY) brought in a regional context, but was mainly based on the agency's reputation for innovation and good practice.

- A Domestic Violence (DV) agency and program: the selected agency, Supported Accommodation and Homelessness Services Shoalhaven (SAHSSI), receives SHS and other funding and has established itself as resilient to changes in the funding of DV services in NSW.

- An Alcohol and Other Drug (AOD) treatment and mental health service: St Vincent's Homeless Health Service was selected because it builds on a long history of health services to the homeless in Sydney by its auspice, St.Vincent's Hospital.

- Social enterprises working with homeless people; a composite case study was compiled based on four different homelessness-related examples—the Women's Property Initiative, HomeGround, The Big Issue and STREAT.

- A Youth Foyer: an Education First foyer managed by Launch Housing and the Brotherhood of St Laurence was selected mainly because it was (a) not atypical in terms of size, and (b) operated by agencies not unlike any of the other agencies that would be likely to operate foyers if the foyer sector in Australia expanded.

- Street to Home and Housing First programs: Street to Home in Brisbane was selected because, according to ABS census figures for rough sleepers in the CBD, Brisbane was the only capital city where rough sleeping was found to have declined (Coleman, MacKenzie et al. 2013).

- The case study of impact investing and social benefit bonds is a discussion based on several known examples because no single instance could meaningfully be selected on the grounds that the approach is relatively new and there are very few well developed examples.

Of these nine case studies, three case studies were undertaken in Victoria; three case studies in New South Wales; one case study in Queensland, and two case studies used a range of data from several different instances.

The selected case studies are single instances of particular service models, organisation forms and new models of service provision funding. The case study evidence in this report is not derived from a cross-site comparative analysis of cases of a particular type. The evidence from the case analysis adds insight and detail to some of the issues exposed in the *AHURI Australian Homelessness Funding and Delivery Survey* (Flatau, Wood et al. 2016) as well as providing a position from which to reflect on some broader arguments. However, it would be analytically unwarranted for the case study evidence to be over-generalised and the discussion of findings has taken care to avoid this.

1   Introduction

- Since the 1970s, governments have been the primary source of funding for homelessness services. Yet, recent welfare reforms coupled with ever increasing funding for homelessness services has raised the issue of funding from a more diverse range of sources. The policy context for this research is the recent interest in alternative sources of funding, including new and innovative funding mechanisms to address homelessness.

- The purpose of this research is to gather and synthesise evidence on the mix of government and non-government funding of the homelessness service system as well as mainstream services and enterprises that support the homeless, and to examine how the funding of services supporting people who are homeless influences service provision and outcomes for homeless people.

- This research uses a case study approach to explore different forms of funding including new possibilities for private or non-government funding sources, and its implications for different mixes of funding on organisations, service delivery and client outcomes. Purposive sampling was used to determine the nine case studies with different service models and organisational forms and with new models of funding. Three case studies were undertaken in Victoria, three in New South Wales, one in Queensland and two case studies used a range of data from several different instances.

This report is one of three reports to be released as part of an AHURI Inquiry into the funding and delivery of programs to reduce homelessness. It provides evidence from case studies of homelessness services into how services supporting those experiencing homelessness are funded, and how different forms of funding and the level of funding impacts on the delivery of homelessness assistance.

1.1   Why this research was conducted

Prior to 1974, agencies providing support to homeless people were largely funded from philanthropic sources and by faith-based organisations. Since that time, a significant transformation in the funding environment for homelessness support services has occurred as governments began to play a significant role, particularly with the advent of the Supported Accommodation and Assistance Program (SAAP) in January 1985 and the Crisis Accommodation Program (CAP) shortly thereafter. The National Partnership Agreement on Homelessness (NPAH) in 2009 consolidated the government funding of Specialist Homelessness Services (SHS).

In spite of the significant role played by government in funding homelessness services, many small and larger services also draw funding from various other sources including from mainstream government sources (i.e. outside NPAH funding) and from non-government sources. Indeed, the Federal Government's White Paper, *The Road Home* (FaHCSIA 2008) promoted the view that mainstream agencies should play a much larger role in preventing homelessness. The strategic policy setting of prevention and early intervention were referred to as 'turning off the tap'. The Productivity Commission (2010) in their research report on the

contribution of the not-for-profit sector raised a number of issues about the government funding of services while appreciating the financial contribution of the charitable sector.

However, while anecdotal evidence indicates that some agencies are becoming less dependent on government funding to provide services to those who are at risk of, or experiencing, homelessness, there is little research that supports this and evidence that would support this direction in the future is scant.

The aim, then, of the AHURI Policy Inquiry into the funding of homelessness services in Australia is twofold:

- to gather and synthesise evidence on the mix of government and non-government funding of the homelessness service system as well as mainstream services and enterprises that support the homeless

- to examine how the funding of services supporting people who are homeless influences service provision and outcomes for homeless people.

As part of this AHURI Policy Inquiry, the research presented in this report (Research Project B in the Inquiry) seeks to provide rich case study evidence on the diversity and complexity of how agencies deal with funding issues and the implications that the funding mix had on service delivery. Flatau, Wood et al. (2016) have reported on the results of the *AHURI Australian Homelessness Funding and Delivery Survey* (Research Project A in the Inquiry). While their report detailed information on funding sources of homelessness organisations, this report supplements their report with detailed information on service providers' views of the impact of funding sources on their organisation, on service provision and on client outcomes.

This project sought to examine the barriers and opportunities for agencies and enterprises to extend their funding mix; the impact of different types of funding on accountability and reporting, service delivery, governance, flexibility, and service quality and the way the funding mix interacts with other service characteristics (workforce, location, service network) to determine the nature, structure and types of services offered. Given the relatively high level of homelessness among Indigenous Australians, the results in this report are complemented by a specific study (Research Project C of the Inquiry) on how the mix of funding sources impacts on homelessness support for Indigenous Australians (Spinney, Habibis et al. 2016).

1.2 The policy context—the development of and increasing demand for homelessness services

In the 1950s and 1960s into the early 1970s homelessness services were principally shelters operated by faith-based organisations such as The Salvation Army or Sydney City Mission (Chesterman 1988). The clients of such services were predominately males with a marginal attachment to the labour force and who often experienced mental health issues, post-traumatic stress disorders and alcoholism (Department of Social Security Working Party 1973; Jordan 1994).

Government funding of homelessness services in Australia commenced in a systematic way during the Whitlam Government following the Report of the Working Party on Homeless Men and Women to the Minister for Social Security in June 1973 (Department of Social Security Working Party 1973). Funding recommendations included a special benefit for persons not eligible for unemployment or sickness benefits as well as an additional rental allowance. A recommendation for 'capital grants up to $5 million a year should be made available over a three-year period to voluntary agencies, local and statutory authorities for approved projects (e.g. night shelters, reception and assessment centres, hostels, flats, day centres, special clinics and detoxification units) in order to upgrade and replace existing inadequate

accommodation and to build new facilities for homeless men and women.' (p.2). Subsidies equivalent to 50 per cent of salaries were provided to agencies employing a social worker or other approved professional workers to provide services to homeless persons, as well a board and lodging subsidy of 75 cents per day for an employed person and $1.50 per day for 'destitute people' were recommended also. The *Homeless Persons Assistance Act 1974* gave legislative effect to these recommendations.

A study in 1978 by the Department of Social Security found that 35 centres had been established with a turnover of some 33,000 individuals per year (Killingbeck 1978). The next 10 years saw a growing recognition of the diversity of what was evidently an increasing problem. In Melbourne, it was estimated that the homeless population had grown from 3,850 in 1977 to 10,000 in 1984 (Coopers & Lybrand W.D. Scott 1985). A Senate Standing Committee of Social Welfare Report on Homeless Youth in 1982 placed a focus on the emergence of young people experiencing homelessness (Senate Standing Committee on Social Welfare 1982).

A range of programs for different groups within the homeless population had been developed in different jurisdictions. In 1984, these included the Commonwealth Homeless Persons Assistance Program ($11.4m), the accommodation component of Family Support Services Schemes ($0.4m), State Government General Programs ($3.0m), the Women's Emergency Service Program ($4.0m), State Government Women's Refuge programs ($10.5m), Children's Services Program for Child care in Women's refuges ($2.0m), the Youth Services Scheme ($2.1m) and State Government Youth Accommodation Programs ($5.9m), amounting to a total of $39.3m (Chesterman 1988).

In January 1985, the joint Commonwealth, States and Territories Supported Accommodation Assistance Program (SAAP) was introduced, governed by a Commonwealth-State Agreement. This served to increase significantly the level of government funding for homelessness services—to $75.9m in 1986–87 with $49.1m from the Commonwealth matched by $26.8m from the states and territories. A 1987 census of service providers reported 1,139 outlets funded under SAAP with an estimated bed capacity of 8,382 beds. Apart from SAAP, but related to the need for capital investment, was the Crisis Accommodation Program (CAP) operated under the Commonwealth State Housing Agreement (CSHA). CAP incorporated the capital component of the Homeless Persons Assistance Program together with the Crisis Accommodation for Families in Distress Program which comprised a base line of funding of $10m to which $3m was added when CAP was established in 1984–85. CAP funds could be used to 'build, buy, lease, renovate or convert dwellings for short-term crisis accommodation' under SAAP (Chesterman 1988).

A 1988 Review of the Supported Accommodation and Assistance Program headed by Colleen Chesterman proposed a wide ranging set of recommendations for the improved administration of the program including a national SAAP data collection to enhance performance and outcomes measurement, a revised legislative framework (which was implemented some years later as the *Supported Accommodation and Assistance Act 1994*), and predictable base funding with about 8 per cent growth funds per year from the Commonwealth with clear matching requirements from state and territory partners (Chesterman 1988). Between 1996 and 2007, SAAP was a stable continuing program but with reduced growth funding as the demand on services steadily increased.

A refocusing on homelessness as a policy priority followed an independent National Youth Commission Inquiry into Youth Homelessness (NYC 2008) and a major consultation by the Federal Government during 2008. The release of a Federal Government Green paper, *Which Way Home?: A new approach to homelessness* in May 2008 (Homelessness Taskforce 2008) and the White Paper, *The Road Home: A national approach to reducing homelessness*, in December 2008 (FaHCSIA 2008), promised a greater commitment to reducing homelessness in Australia. The key headline goal was to 'halve homelessness by 2020' and 'offer supported

accommodation to all rough sleepers by 2020'. These objectives would be met by three strategies: (a) Turning off the tap or a focus on early intervention strategies for at-risk groups such as young people, especially those leaving care, women and children escaping domestic violence and people in extreme housing stress, (b) Improving and expanding services: improving the homelessness service system by bringing mainstream services into the effort to address homelessness and build better service integration, and (c) Breaking the cycle: reducing repeat experiences of homelessness by applying 'wrap around support' for people with high and complex needs.

The White Paper raised the issue of the limitations of solely relying on government funding of services with the argument that 'it will not be possible to meet the headline goals under the strategy without harnessing the efforts of the broader corporate and private sector'. There was recognition that there is already a certain level of charitable donations flowing into the homelessness sector from various companies and from philanthropic foundations. The White Paper recycled a proposal first floated at the 2020 Summit in April 2008 to establish a foundation to consolidate partnerships between the government and business. It was recommended that 'the Australian Government will establish the Bea Miles Foundation to channel funding, in-kind support and sponsor innovation and research to support the work of governments and the not-for-profit sector in combating homelessness' (p.20), but this recommendation has not been implemented.

Under successive Commonwealth-State Agreements, the Supported Accommodation and Assistance Program continued until 2009 when it was replaced by a new set of arrangements and renamed as the Specialist Homelessness Services program. In 2007–08, direct funding to SAAP agencies was $383.9m which represented a 34 per cent increase since 1996–97. Since 1985, when SAAP was first created, the number of funded agencies has increased from 500 to 1,562 in 2007–08. New administrative arrangements were under two agreements—the National Affordable Housing Agreement (NAHA) and the National Partnership Agreement on Homelessness (NPAH). NAHA was a component of a simplified framework of Commonwealth and State funding arrangements which provided a 'whole of housing system approach to affordability outcomes' with growth funds for social housing and a focus on remote housing for Indigenous Australians. The NAHA superseded the previous longstanding Commonwealth-State Housing Agreements which had been in place for some 60 years and subsumed the previous joint funding agreement for SAAP. Homelessness was subsumed under NAHA as one of five National Partnership Agreements representing $800m over four years.

The arguments about bringing mainstream services into the overall effort to address homelessness does potentially have financial implications beyond the budget available for Specialist Homelessness Services as it impacts on other streams of government funding. How this might be systemically achieved was not made clear, and it was acknowledged that 'successful system reform is often achieved incrementally' (p.39). The idea that 'flexible funding could be provided at the regional level to bring critical homelessness sector stakeholders together to deliver integrated service responses' largely remain yet to be seriously attempted. The issue of ever increasing funding required by Specialist Homelessness Services to meet continually increasing demands for these services has raised the issue of funding from a more diverse range of sources. On the ground, service providers have tended to provide a wider range of services than in the past and to a degree broadened their funding base but generally from different government funding streams. The unrealised strategy of 'turning off the tap' or early interventions to reduce the flow of people experiencing homelessness would over time have significant financial implications for the homelessness budget but at the same time require an investment strategy.

1.3 Existing research on funding sources for homelessness services

The focus of this Policy Inquiry is the funding of homelessness services in Australia. While there is an extensive literature on homelessness service models, there appears to be little research on the issues relevant to this Inquiry, viz. the funding of homelessness services and its implications for organisations, their services and outcomes for people who are at risk of, or experiencing, homelessness. Flatau, Wood et al. (2015) have extensively reviewed the recent Australian and international literature including: the history and sources of the funding of homelessness services in Australia; and, the sources of funding for homelessness services internationally. They found that services in Australia were predominantly funded from Commonwealth and State Government sources (particularly through the NPAH) supplemented by internal funds (mainly rent), philanthropic funds, public donations, bequests, corporate donations, corporate sponsorships and fund raising activities. Internationally, a variety of funding sources, similar to those in Australia, are used. 'Overall, there is perhaps greater degree of innovation in mixed funding models internationally, ranging from the growing use of social impact bonds in the UK through to more consolidated philanthropic investment in the US via large Foundations, and some innovations in public-private partnerships in several countries' (pp.25–26).

The broadest context of relevant research for this report is about trends underway in the welfare states of advanced Western countries. The construction of the welfare state took place during a post-war period of economic expansion during which the notion of citizen's rights to a social safety net became more widely accepted. As the full-employment conditions of the 1950s and 1960s gave way to later decades of rising unemployment and major economic restructuring, the demands on the social safety net increased and the cost to the budget of delivering services also increased. Demographic changes, most notably the ageing of the population, have also driven increases in social security spending (Whiteford and Angenent 2002). The various attempts at welfare reform in Western countries including Australia have targeted people receiving income support payments, especially unemployment benefits and disability pensions. Measures and models that effectively assist people to exit homelessness will serve to reduce the costs of supported accommodation and other costs associated with homelessness (Flatau, Zaretzky et al. 2008). Likewise, early interventions that reduce the flow of people becoming homeless also have a cost benefit.

One significant body of work on funding models for not-for-profit organisations is that by Foster and associates. In one study, Foster and Fine (2007) undertook a research project on 144 large US non-profit organisations that had experienced substantial growth to $50m per year. They found that all these organisations had grown by pursuing specific sources of funding appropriate to the kind of work they did or services they provide. They had developed internal capacity to raise funding from their targeted sources. In a second study, Foster, Kim and Christiansen (2009) proposed a framework of 10 funding models based on analysis of large not-for-profits. Several models rely on funding from direct or indirect beneficiaries. The one model that was closest to that used by Australian homelessness services was the 'Public Provider' model where agencies relied largely on government funding, but sought to draw on government funding from different sources. In the research for this report, no examples were found of not-for-profits supported by earned income from ventures separate and distinct from their core activities, nor any cases of not-for-profits operating on a strict fee-for-service model. Some viable funding models may have been excluded by the scale of the agencies selected. A general finding is that the sourcing of funds is shaped by the nature of the products or services provided (Foster, Kim et al. 2009).

In Australia, the Green Paper on Homelessness, *Which Way Home?: A new approach to homelessness* (Homelessness Taskforce 2008), in a comment on not-for-profit organisations, noted some of the issues associated with multiple sources of funding:

> Most of these services are funded by different levels of government. Some services augment government funds with funds from the private sector through private donations, fund raising through churches and charities, philanthropic funds, and with contributions and involvement from the business sector. It would not be uncommon, particularly amongst some of the large not- for- profit organisations, for $25 to $30 of every $100 spent on homelessness to be sourced from private donor funds. One national community service agency reports that only 25 per cent of its annual funding comes from government sources.
>
> The private sector is also directly involved in the provision of homelessness services through supported job placement, provision of volunteers, and pro bono financial or legal services. It is not possible to estimate what level of private sector philanthropic giving is currently targeted at the problem of homelessness.
>
> Coordination between the Commonwealth, state and territory and local governments, and with not-for-profit organisations, charities and the business sector is poor. These arrangements have resulted in a patchwork of services and funding programs, with no clear focus on long-term solutions to homelessness. It also results in critical service gaps, and chronic cycling of homeless people through the services and systems. (p.26)

The claim that many of the not-for-profits raise 25–30 per cent of their funding from non-government sources may be true for some of the very largest organisations, but the suggestion is that this could be more widely generalised. The White Paper, *The Road Home* (FaHCSIA 2008), proposed a foundation specifically focused on raising funds for homelessness-related projects and services in order to 'sponsor innovation and research to support the work of governments and the not-for-profit sector in combating homelessness':

> Many charities complement government funding with donations from the corporate sector and philanthropic foundations. The private sector also contributes resources to reduce homelessness by donating buildings, running employment programs for people at risk of homelessness, volunteering and pro bono work, and via non-monetary contributions such as household goods and food for kitchens providing meals for people who are homeless. Local businesses contribute to the local and regional effort to reduce homelessness too.
>
> The Australian Government acknowledges the generous efforts of the business and corporate sector to reduce homelessness. Some of Australia's largest companies and institutions—like Westpac, Vodafone, ANZ, Toll Holdings and Grocon—directly fund a variety of initiatives aimed specifically at reducing homelessness. These range from early intervention initiatives for children and families at risk of homelessness to building new specialist models of social housing for rough sleepers at cost, foregoing substantial profit.
>
> A proposal to establish a foundation for building partnerships between government and the business sector to tackle homelessness was recommended at the 2020 Summit in April 2008.
>
> To support the White Paper, the Australian Government will establish the Bea Miles Foundation to channel funding, in-kind support and sponsor innovation and research

to support the work of governments and the not-for-profit sector in combating homelessness.

However, it was not suggested that this non-government funding via the proposed Bea Miles Foundation would provide recurrent funding for service provision. It should be noted that the Bea Miles Foundation has not been created as envisaged.

In a Survey of Specialist Homelessness Services in Western Australia, Flatau, Zaretzky et al. (2008) found that their predominant source of funding was from Commonwealth and state/territory governments. The other major source was rental income.

Australian homelessness services may be more dependent on government funding than other countries: lottery funding, for example, which is important in the UK, is not a significant source of funding in Australia. The Foyer Oxford is an exceptional example due to its size and the non-government funding mobilised for its development. BHP Billiton has contributed $5m over five years as a 50 per cent co-contribution with the WA Department of Child Protection and Family Support for establishment and running costs of Foyer Oxford (Anglicare WA 2014; Flatau, Wood et al. 2016). In addition to funding from the Western Australia Department of Housing and the Australian Government, Foyer Oxford also receives funding from Lotterywest (Foyer Oxford 2016).

A field study of foyers in the UK and Australia (Steen and MacKenzie 2016) found that by comparison with the UK foyers the existing and planned Australian foyers were heavily reliant on state and Federal Government funding for capital, but also for recurrent support costs because the income generated from current benefits and entitlements was insufficient to ensure financial sustainability. In the UK, however, the streams of income from the Supporting People's Benefit and other local government income were able to underwrite the costs of foyer support. While financial sustainability may be eroding under the present UK Government, the foyer sector is well developed with over 100 facilities. Ultimately, however, the impact of any erosion would be reduced capacity for support services. In the Australian foyers, the shortfall was found to be $18,000 per resident per year. Allowing for the small size of the first foyers, the shortfall would be more likely in the order of $5,000–$6,000 per resident per year. How that shortfall is met raises the issue which is the subject of this study. To this point, substantial government funding has been available on a special project basis, but that is unlikely to continue at the same level into the future. However, generally, there is potential for foyers to mobilise services from a range of mainstream agencies not specifically founded to provide services to the homeless and the Education First foyer will be able to demonstrate how successful this can be when the results of its evaluation become available.

The nine case studies whose results are in this report include service models or approaches such as 'youth foyers' and 'Street to Home' while other case studies focus on service types such as those providing aged care to the homeless, a domestic violence service or a youth service. The other case study categories were different and relatively new approaches to funding service provision such as social impact bonds and social enterprises. Each of the case studies was chosen because of promising practices, including innovative or responsive approaches to funding models. The research literature indicates, however, scant evidence for non-government sources of funding replacing government funding of homelessness services, although social impact investment and other forms of blended finance show some promise (Alcock, Millar et al. 2012). Equally, the case studies demonstrate the need for ongoing government support, especially in the provision of crisis and medium-term accommodation.

1.4 Research methods

This project builds on the *AHURI Australian Homelessness Funding and Delivery Survey* conducted by Flatau, Wood et al. (2016). This survey aimed to provide an overarching picture of the composition of funding sources used by the homelessness sector, the extent to which this sector is endeavouring to access non-government sources of funding and the level of success in doing so, and the sectors' assessment of how funding mix and levels are related to service delivery. This report used case studies to gain a more detailed view of homelessness funding.

A case study, in the context of this research, is a research approach that includes:

- a focus on the inter-relationships that constitute a specific organisation or entity

- an analysis of the relationship between, on the one hand, the context and contextual factors and, on the other, the organisation/entity being studied

- using the insights and information from the analysis of the organisation/entity and its context to generate understandings about what is being studied (Mills, Durepos et al. 2010).

The 'entity' in this study is the funding of homelessness services and programs—how they are funded, and the issues about funding. Nine case studies were undertaken in New South Wales, Western Australia, Victoria and Queensland. The case studies were chosen as exemplar sites at which questions of different forms of funding and the implications for different mixes of funding on service delivery and client outcomes could be explored. (Appendix 2 outlines the sample questions and prompts for the semi-structured interviews.)

In terms of the case studies, during a site visit, the qualitative data collected consisted of an interview(s) with a key person(s). The success in doing a case study lies in finding a 'key informant(s)' who could provide the range of information required for the study. Other financial information was obtained from various reports and documents. The financial records or published financial information provided salient information on the mix of funding. This allowed us to understand more clearly the links that exist between the funding mix, the services that homeless agencies deliver and their impact on homeless people. The outcomes data was often limited or difficult to relate to funding inputs. However, the case studies were designed to search for relevant causal links between funding, service delivery and client outcomes for homeless people.

To a considerable extent, the selection of case studies was 'purposive' in that for each potential case study some preliminary information was used to decide which might be the best for answering the Policy Inquiry questions. The case studies were not selected because they were typical of the service delivery model or organisation.

The typology used for the nine case studies is set out below, together with some brief commentary on the selection of each case study site.

1 An agency providing aged-care to homeless and highly disadvantaged elderly individuals. There is a relatively small number of agencies that specifically specialise in providing aged-care for homeless and highly disadvantaged people. Possibly the most well-known is Wintringham in Victoria. Some other agencies provide aged-care for low-income people, but as a part of a larger and more diverse operation. On this basis, Wintringham, a pioneer in this field and a relatively large agency, was selected.

2 A large organisation receiving significant funding as an SHS but also a range of other government funded programs, significant charitable donations, and other sources of funding. Mission Australia (MA) was selected because it is a large non-government organisation (NGO) with a range of programs and a significant commitment to homelessness service provision. MA has a well-developed corporate structure.

3   A youth-based agency working with at-risk and/or homeless young people and the Reconnect program. The selection of North East Support and Action for Youth (NESAY) brought in a regional context, but was mainly based on the agencies reputation for innovation and good practice.

4   A Domestic Violence (DV) agency and program. The selected agency, Supported Accommodation and Homelessness Services Shoalhaven Illawarra (SAHSSI), receives SHS and other funding and has established itself as resilient to changes in the funding of DV services in NSW.

5   An Alcohol and Other Drug (AOD) treatment and mental health service. St Vincent's Homeless Health Service is auspiced by St Vincent's Hospital and builds on a long history of health services to the homeless in Sydney.

6   Social enterprises working with homeless people. A composite case study was compiled based on four different homelessness-related examples: Women's Property Initiatives, HomeGround, The Big Issue and STREAT.

7   A Youth Foyer. Youth foyers are a relatively recent development in Australia although they are a significant sector of supported youth housing in the UK. From the perspective of financial sustainability of the foyer model, the selected case is (a) not atypical in terms of size, and (b) operated by agencies not unlike any of the other agencies that would be likely to operate foyers if the foyer sector in Australia expanded. The selected case was the Education First Foyers managed by Launch Housing and the Brotherhood of St Laurence.

8   Street to Home and Housing First programs. Street to Home in Melbourne would have been selected as the site for this service type. However, since Launch Housing manages the selected Education First youth foyer, the same organisation could not be case studied twice. On this basis, Street to Home in Brisbane was selected because, according to ABS census figures for rough sleepers in the CBD, Brisbane was the only capital city where rough sleeping was found to have declined (Coleman, MacKenzie et al. 2013).

9   Funders of services and programs including innovative forms of funding such as impact investing and social benefit bond options. No single instance could meaningfully be selected as a case study because the approach is new and there are very few well developed examples. The case study is really a discussion of the concept and how it is being developed with some thoughts on its potential and possible limitations.

Of these nine case studies, three cases studies, (1), (3), and (7), were undertaken in Victoria; three case studies, (2), (4) and (5), were undertaken in New South Wales; one case study, (8), was undertaken in Queensland, and two case studies, (6) and (9), used a range of data from several different instances.

2　The case studies

This chapter presents the evidence and findings from nine case studies that focus on the funding arrangements of agencies and their impact on the agency, its services and outcomes for those who are at risk of, or experiencing, homelessness:

- An aged care provider to homeless and disadvantaged elderly persons: Wintringham, Victoria.

- A large organisation with significant SHS funding: Mission Australia, New South Wales.

- A youth homelessness agency: North East Support and Action for Youth, Wangaratta, Victoria.

- A women's domestic violence service: Supported Accommodation and Homelessness Services Shoalhaven, Illawarra, New South Wales.

- An Alcohol and Other Drugs and/or mental health Program: St Vincent's Homeless Health Service, Sydney.

- Social Enterprises: Women's Property Initiatives, HomeGround, The Big Issue and STREAT.

- Youth Foyer: Education First Youth Foyers—Glen Waverley and Broadmeadows, Launch Housing and the Brotherhood of St Laurence, Victoria.

- Street-to-Home Program: Micah Projects, Brisbane.

- Social Impact Bonds.

This chapter provides a description and initial analysis of the nine case studies based on interviews with key personnel and an analysis of key documents. Appendix 1 outlines the information provided to participants in the case studies and Appendix 2 outlines the sample questions and prompts for the semi-structured interviews.

All of the selected case studies (except for the composite case studies discussed under social enterprises and social impact bonds) were Specialist Homelessness Services receiving funding through NPAH. Many also received funding from other state and Commonwealth government sources.

Each of the case studies operates within a particular context facing particular issues that impact on their approaches to their funding and their future. For example, reforms to the NSW SHS program in 2012–13 have caused significant disruption to the sector and created some uncertainty about the future of government funding. The case study agencies have been successful in managing these changes to SHS funding and in interviews indicated good relationships with state government agencies at the local service delivery level, in addition to being trusted to manage funds and projects. They may therefore not be representative of services delivering homelessness support to these population groups in NSW. Instead, they represent examples of flexible responses to funding changes and describe ideas and possibilities for future innovation.

The presentation of the case studies varies depending upon a number of factors: the case studies reflect a variety of agencies with different service models, different organisational forms, different complementary services and locations in different states and regions. Some agencies provided valuable information on particular sources of funds; some could provide good information on funding arrangements by different sources whereas others were unable to separate clearly funding arrangements for homelessness services from those of other services; some agencies could provide historical detail whereas others could not; some had reflected upon and adopted a strategy of seeking new sources of funds whereas others had only just began to reflect on the implications of new funding sources for their agency. Some interviewees were relatively new to the agency whereas others had a very long history within the agency; some interviews tended to more descriptive whereas others were more critical. Most of the case studies were about a single agency while some provided a broad overview of a particular funding model and a number of agencies using this model.

2.1 Case study 1—An aged care provider to homeless and disadvantaged elderly persons: Wintringham, Victoria

Wintringham is a specialist aged care provider and works specifically with low-income older people, particularly those who are at risk of, or experiencing, homelessness. Wintringham was formed in 1989 when very few homeless older people were getting into the aged care system. One of the underlying principles for Wintringham was a change in the paradigm, a shift from talking about homeless people who were elderly to thinking in terms of elderly people who had experienced homeless and thus, were eligible for aged-care services. By thinking differently about this group, the focus shifts from homeless service provision to aged care for disadvantaged people who had experienced homelessness.

Wintringham operates throughout Victoria, both in metropolitan Melbourne and regional Victoria providing a range of programs including: six Residential Aged Care facilities in metropolitan Melbourne; 648 Home Care packages; as a registered housing provider, Wintringham manages 466 predominantly one-bedroom units in metropolitan Melbourne and regional Victoria, and an Assertive Outreach and Housing Support program supporting older people who are at risk of, or experiencing, homelessness (Wintringham 2015a).

In the 2014–15 financial year, Wintringham had an operating income of $39.0m—71 per cent of this ($27.8m) is Commonwealth subsidies for Residential Aged Care and Community Aged Care; 13 per cent ($5.0) from client contributions for their Residential and Home Care services, and 9 per cent ($3.4m) is rent from tenants in their housing portfolio. Approximately 6 per cent ($2.7m) is payments from the Victorian Department of Health and Human Services (DHHS) for their assertive outreach and housing support program. Donations of $128,396 represent 0.3 per cent of their operating income and this source of funding has not been a priority. Wintringham has over 500 employees (most of whom are part-time) and 45 unpaid volunteers (Wintringham 2015b).

Throughout its development, one of Wintringham's major challenges has been to fund the acquisition of its residential aged care facilities and its housing projects. While each facility and many of the housing projects received significant funding through Commonwealth and State government programs, the funding of each has its own unique story of determination, happenstance, innovation, partnership, generosity and good luck. For example, their second hostel and housing project came about as a result of a television interview, a subsequent phone call from the mayor of Williamstown and a chance mention of a local Lions committee that managed 48 units on a very large crown land site in Williamstown. A discussion ensued between Wintringham, Williamstown Council and the Lions committee in which Williamstown Council agreed to transfer their 30 aged care bed licences to Wintringham, the local Lions

committee agreed to transfer the management of their units as well as a bank balance of $960,000 to Wintringham, the state government agreed to transfer the trusteeship of the land to Wintringham and Wintringham agreed to upgrade and manage the units and to combine their 30 aged care bed licences with that of Williamstown Council to build a 60-bed aged care facility on the vacant land (Farrelly 2013). Thus, their housing projects have involved complex partnerships between local government, community organisations, trusts and state government. More recently, in October 2014, the Peter and Lyndy White Foundation, a philanthropic fund, provided $7.5m for the purchase of Gilgunya Village in Coburg, a 51-room residential aged care facility and 12 housing units.

These two examples, one from the earliest days of Wintringham in the early 1990s and one most recently, illustrate how Wintringham funded their capital projects. Each capital project draws upon the opportunities available at the time. Each is funded by a unique, idiosyncratic means not a replicable method and it would be difficult for other organisations to replicate their funding model.

Wintringham has an excellent reputation as a provider of services to older homeless people. Yet, it is not well-known publically. While Wintringham has considered expanding its sources of funding by reaching out for corporate sponsorship, by seeking public donations and bequests and by more rigorously applying for philanthropic funds, it has been reluctant to move down this path as it is aware that this takes considerable work, depends upon establishing strong personal relations and a public relations profile and is somewhat a distraction from providing services to older homeless people.

2.2 Case study 2—A large organisation with significant SHS funding: Mission Australia, National

Mission Australia (MA) is a large charity which operates nationally. Its goal is to reduce homelessness and strengthen communities. It is a public benevolent institution classified by the Australian Charities and Not-for-profits Commission as a large organisation. In 2014–15 Mission Australia delivered 128 housing and homelessness services, in addition to 172 services for families and children, 72 youth services, 34 mental health services and 56 disability services. Mission Australia owns or manages 1,833 properties nationally (Mission Australia 2016a).

In NSW, significant homelessness initiatives include:

- the Missionbeat outreach service (to which Westpac contributes $1.3 million over three years)

- Fairfax House, a medium-term supported accommodation service for families who are at risk of, or experiencing, homelessness in Sydney's western suburbs

- Camperdown Common Ground, a Housing First project in a purpose-built housing complex, in Sydney's inner suburbs.

Fairfax House and Camperdown Common Ground were both supported by government and non-government funding. The Vincent Fairfax Family Foundation donated to Fairfax House in 2005. The Camperdown Common Ground building was constructed at cost by Grocon.

Mission Australia's total revenue for 2015 was $337.913m and their highest source of funding was the Commonwealth Government (41%), followed by state and local government (29.5%). Fundraising and corporate partnerships provided 8 per cent of total revenue (Mission Australia 2016b).

Mission Australia's high profile gives it a strong base upon which to build its fundraising activities, and the organisational aim is for a sustainable balance between government and

private funding. It is large enough now to shift some resources into this area and has recently employed a fundraising manager with a background in the corporate sector. MA is now restructuring the way they manage donor relationships Their fundraising manager is also responsible for building the MA brand as a charity (rather than a provider of government services) and marketing, with a focus on communicating the need for public support for homelessness and other social needs. In its public marketing, it emphasises family homelessness, particularly on how children are experiencing homelessness, whereas marketing to corporations and major donors does not emphasise one population group over others.

To be successful in raising private funds, MA has to build on its past reputation and create a brand that appeals to donors.

> *… if you try to build a brand in any industry but specifically in the very crowded charity space, you've got to have consistent messaging, you've got to be known for something.*

In the past they have supplemented government-funded programs with money raised from fundraising if a program was not sufficiently resourced. However, MA recognise that this practice disguises the true costs of delivering services, and it aims to renegotiate contracts with government to ensure more realistic funding and service delivery targets.

MA has noticed that corporations are more conscious of their corporate social responsibility and want to donate.

> *We do see that there are, especially in the area of project developers in the financial world there's more and more understanding of the fact that corporates play a role and have to play a role in the poverty and homelessness space … we position homelessness as the ultimate form, the worst form of poverty.*

Corporates and major donors (many of whom prefer to donate anonymously) are focused on making a difference either for their own brand or because they want to realise certain values or achieve certain objectives. They, therefore, want to pinpoint where their money goes.

MA invests time and energy in maintaining their relationships with large donors. Many of these donors want to meet people, hear their stories and get a better understanding of what they have contributed to. More recently, they have begun to maintain contact by regularly emailing their support base and through newsletters.

> *… the more sophisticated donors like corporates or large sort of foundations they want to see … the outcomes … [and] the stats about what difference we're making, but they also want to hear the stories … we tell some stats but it's really the personal stories that they respond to.*

Reporting to major donors, corporates and governments is different and each requires a particular skill. For some major donors, it is a marketing skill whereby reporting makes an emotional appeal. For corporates, it is a market skill which is much more commercially and outcome focused. For governments, it is reporting usually against already specified output criteria.

Of particular importance to MA is undesignated funding, that is income for which the use is not specified. These funds allow MA to provide services that government doesn't necessarily address; they can be used for identifying unmet needs, developing products that meet those needs and planning the future of MA more strategically; they can be used for research and advocacy, and they allow MA to be more innovative and flexible in their work.

2.3 Case study 3—A youth homelessness agency: North East Support and Action for Youth, Wangaratta, Victoria

North East Support and Action for Youth (NESAY) is a key youth homelessness community organisation in North East Victoria with a reputation for innovative programs. NESAY is based in Wangaratta with sites open for reduced hours in Benalla and Mansfield. It provides a range of services to young homeless people and young people at risk of homelessness. NESAY is strongly supported by the local community. It provides outreach services in Wangaratta, Benalla Yarrawonga, Rutherglen, Beechworth, Myrtleford, Bright, Mount Beauty, Mansfield and Seymour. The agency started out as a youth program in the early 1970s and was incorporated as NESAY in 1992. After a long stable period as a community organisation, the more recent years have seen major changes that have affected the small regional agency. The establishment of a single homelessness entry point managed by the Rural Housing Network complicates direct access to NESAY, although the new system does work. A restructure of the Commonwealth Government's Employment Services system saw NESAY lose its funding despite being a highly rated provider. Also philanthropic funding for a significant three-year LinX2Home Program ended and there was no source of government funding to continue what was an innovative regional initiative. The impact on NESAY was to halve its staff and after a restructure, the CEO position was replaced by an Executive Officer, who has restructured the agency around three key areas: youth and family services, community engagement and corporate services.

This small agency now operates 12 programs, most funded by the Victorian Department of Health and Human Services. NESAY runs the Commonwealth-funded Reconnect early intervention program and School Focused Youth Services through the Department of Education and Training as well as an L2P program funded by VicRoads. NESAY has made use of philanthropic funding for enhancing its support capacity to young people and families, but managing the complexity of funding is a challenge for a small agency.

Funding of NESAY's services is very complex. It comes from many different sources with different and changing requirements, with different target groups, with different reporting regimes and timelines, with different terms and with different expectations regarding future funding. It requires a high level of management skill and resources to maintain, to find new sources of funds and to constantly juggle staffing, staffing contracts and staffing terms.

NESAY currently receives funds from Commonwealth, state and local governments. These are from different departments and different programs within departments. The current mix of funds from Commonwealth and state government has its limitations. Funding applications are geared around the requirements of funder and the structure of funding programs rather than around the needs of people who are at risk of, or experiencing, homelessness and the services they require; these may vary from one location to another, and from one group to another. Table 1 below outlines the multiple sources of funding from different levels of government and, within departments, different branches. These government funds are:

- targeted to a different specific group of young people
- for a different specific purpose
- covered by different funding agreements
- require different reporting arrangements
- different end dates for funding
- require staff with specific skills for specified periods of time.

All this makes the task of managing the organisation very difficult. Notwithstanding, it is on a solid base of Commonwealth and state government funds that NESAY is able to innovate.

In addition to mainstream funding from Commonwealth, state and local governments, NESAY has supplemented their programs with other sources of funding, in particular philanthropic funds, corporate sponsorship and fee-for-service where NESAY is contracted by other agencies to deliver services on their behalf at no cost to participants.

NESAY regularly applies to philanthropic organisations for small amounts of funding each year. Philanthropy has delivered a significant stream of funds over the years and made it possible for NESAY to deliver innovative programs in response to needs as they emerge in their dealings with young people.

From these innovations, NESAY has been able to refine its programs. One example is LinX2Home. This program was designed to give families time-out and de-escalate the tensions in the family. It, thus, allowed time to work intensively with the family and the young person. Under this program, an old office space was converted into an independent living space for a young person. An evaluation by La Trobe University found that while young people found it useful and valuable as well as learnt new skills, their situation at home didn't change. Moreover, this program was costly to run as it was geared around only one young person at a time and required a high level of staffing, particularly overnight.

Table 1: NESAY—Funding from multiple government sources

Department/branch	Program	NESAY Service/program
Victorian DHHS	Transitional Assistance Program	Transitional Assistance Program
Victorian DHHS	Transitional Assistance Program	Creating Connections
Victorian DHHS: Youth Services and Youth Justice	Adolescent Support Program	Adolescent Support Program
Victorian DHHS: Youth Affairs	Service Plan—Engage Program	Healthy Eating and Living Program
Victorian DHHS: Youth Services and Youth Justice	Finding Solutions	Finding Solutions Program
Victorian DHHS: Child Protection and Family Services	Leaving Care Support Services	Leaving Care
Victorian DHHS	Housing Establishment Fund	Pass-through funds to assist tenants establish tenancies
Victorian DHHS	Creating Employment and Educational Pathways (CEEP)	Pass-through funds to assist homeless young people to access or sustain education, employment and training
Victorian Department of Education via Gateway consortium	School focus program	Referral Assessment and Case Coordination
Victorian Department of Education	School engagement	School Engagement Program
Commonwealth Department of Social Services	Reconnect Program	Reconnect Program
Transport Accident Commission via VicRoads and two local councils	L2P Program	L2P Program

As a result, NESAY is looking to shift the service model towards a young person staying three to six months and learning independent living skills. The target group are those under 18 years

who are not yet old enough to sign a lease. The young person will then move into a shared housing arrangement. This model is based on the Foyer model but with some tweaks. NESAY will also have the capacity to leave one room as emergency housing, if necessary, and is now seeking to fund this adapted model.

Corporate sponsorship is limited. A major barrier is perceptions that homelessness funding is not as attractive as other causes. For many people, the services provided by NESAY are very nebulous as NESAY does not provide housing but rather support through intervention in and working with families and young people.

NESAY is small notable local charity strongly supported by the local community. Their 42 community volunteers assisting a regional agency with 20 staff is one of their major sources of additional resources. However, this local community support does not extend to monetary and in-kind donations. To date, NESAY has not invested a lot of time seeking corporate sponsorship and so it has not provided many options for garnering local business support. It is something that the Board is currently looking at.

One success has been with the L2P program which assists young learner drivers wishing to gain driving experience. L2P is a tangible program with defined outcomes and so, is easy to sell and easy to package. The core funds for this program come from VicRoads via two local councils. In addition, two local car dealers have provided two vehicles and other businesses in-kind donations of tyres and fuel vouchers.

NESAY is a community organisation with a reputation for developing innovative programs based on trying to meet the needs of young clients and their families. A strategic shift has been towards 'early intervention', and to pick up vulnerable young people before crises occur. It understands its current services as a tool to support a young person to live independently and safely. Apart from Reconnect, government funding for programs has not made the same shift.

Rather than simply chasing government funding on a purely opportunistic basis, NESAY is motivated by its vision and takes as its starting point the needs of young people and their families and seeks to develop programs (and find funds) that will meet these needs. In order to implement its vision, NESAY is on the one hand, looking for philanthropic funds to seed its innovative programs and on the other hand, seeking to work in partnership with other agencies in the area. While philanthropy is a source of funds for getting innovative services started, there is still the problem as to how to keep them going.

NESAY works in partnership with other agencies in their area of service: Councils, Schools Community Health Services, Centre Against Violence (CAV) and the Northeast Child and Adolescent Mental Health (NECAMHS). This includes using partnerships to deliver programs, applying for funds and for the co-location of services.

This complex funding mix carries a loading of time and effort required of the agency, but NESAY's reputation for innovation in a regional context has only been possible because the agency has successfully managed a core base of Commonwealth and state government funding, despite some significant challenges along the way. NESAY is an example of a resourceful community-connected agency adept at working in partnership and able gainfully to use philanthropic funds as well as obtain a small but steady stream of donations and sponsorships.

2.4 Case study 4—A women's domestic violence service: Supported Accommodation and Homelessness Services Shoalhaven, Illawarra, New South Wales

Supported Accommodation and Homelessness Services Shoalhaven Illawarra (SAHSSI) is a Specialist Homelessness Service formed when Wollongong and Warilla Women's Refuges merged in late 2014. The agency is targeted to single women and women with children who are at risk of, or experiencing, homelessness. SAHSSI operates two crisis accommodation support services that provide intensive case management support for six weeks to women (with or without children) who are subject to domestic violence or other life crises. Also, the agency operates 40 transitional properties in the Illawarra. Where appropriate, clients have transitional housing as an option. Another option is rapid rehousing into the private rental market for clients with low needs who can move quickly onto living independently. There is an early intervention outreach response for women in rental properties where losing their tenancy is an issue. Two additional programs provide support for female partners of domestic violence perpetrators; those who are attending the Corrective Services NSW Perpetrator Program funded by Corrective Services, and; the Partners in Recovery program which aims to better support people living with severe and persistent mental illness by providing a more coordinated system response to their mental health needs (SAHSSI 2016a, 2016b).

SAHSSI operates under a Management Committee made up of various community members from a diverse range of private and community-based sector representation within the Shoalhaven/Illawarra District.

SAHSSI receives Commonwealth and NSW government funding to deliver specialist homelessness services and other support programs, and a small amount of funding from other sources including fundraising. However, as outlined in Table 2 below, in the 2015 financial year, the majority of their income came from SHS funding from the NSW Department of Family and Community Services—$2,285,689 out of a total budget of $3,293,109. Additional programs receive $327,867, but donations ($24,648) comprise only a small portion of the overall income for the agency.

Table 2: SAHSSI funding from government and other sources

	2014	2015	
		$	%
Grants—NSW Department of Family and Community Services	$1,250,870	$2,285,689	69%
Grants—Other	$84,085	$327,867	10%
Donations	-	$24,648	1%
Interest	$36,218	$32,900	1%
Rent Received	$102,588	$249,190	8%
Board and Lodgings	$37,674	$109,207	3%
Management Fees	$200,925	$263,608	8%
Total	*$1,712,360*	*$3,293,109*	*100%*

SAHSSI recognises that they need to diversify their funding base and are seeking to develop opportunities in philanthropic funding. SAHSSI is acquiring a property, using savings accumulated from rental income from Housing NSW tenancies over the years, and is negotiating the donation of land from a local business. However, the potential for private funding of SHS services was thought to be fairly limited.

2.5 Case study 5—An Alcohol and Other Drugs and/or mental health Program: St Vincent's Homeless Health Service, Sydney, New South Wales

The Homeless Health Service (HHS) is part of St Vincent's Hospital Sydney, which is part of the NSW-based arm of St Vincent's Health Australia, the largest Catholic not-for-profit health and aged care provider in Australia, working in private hospitals, public hospitals and aged care services in New South Wales, Victoria and Queensland.

Operating out of St Vincent's Hospital in Sydney, HHS provides holistic healthcare, education and care coordination on an outreach basis to people who are experiencing homelessness in inner city Sydney and who are not currently accessing healthcare and support. Although this service was established in 2012, St Vincent's Hospital does have a much longer history responding to the issue of inner city homelessness in Sydney.

The services it provides includes:

- A Homeless Outreach Team: assessment, treatment, referral and care coordination. The Homeless Outreach Team manages intake for all referrals to the Homeless Health Service.

- Way2Home: the Way2Home Health Team works in partnership with the Way2Home Support Team (Neami) to provide healthcare and support to rough sleepers with a long history of homelessness and multiple health needs—Way2Home takes a Housing First approach and helps people move into long-term housing and re-engage with the community.

- Wesley Mission Therapeutic Support: HHS clinicians collaborate with the support workers from Wesley Mission Therapeutic Support Team to provide mental health care to clients, and support and education to staff.

- Tierney House: a 12-bed residential unit assisting the inner city homeless population to access health care. Tierney House provides a safe and stable environment whereby residents can access assessment, treatment and support from St Vincent's Hospital as well as local health and support services. (St Vincent's Hospital Sydney 2016).

The establishment of the Homeless Health Service is based on the chronic health conditions commonly found among the inner city homelessness population. The service provides support so that people experiencing homelessness can obtain health care and actively engage in mainstream services of their choice.

St Vincent's Homeless Health Service is funded through a range of different government sources. The Wesley Mission Therapeutic Support is funded by NPAH through the NSW Department of Family and Community Services. Way2Home is funded by the NSW Ministry of Health. They also receive $2.1m through mainstream health programs as the costs of medical and health services are funded through health system funding for bulk-billed medical and public hospital care. In addition, each year they get significant funds from philanthropic donors.

Philanthropic funding is important to St Vincent's. Given the uncertainty of SHS funding and the critical need for accommodation, St Vincent's is actively seeking additional income sources through fundraising and philanthropy.

2.6 Case study 6—Social enterprises

Specialist homelessness services and mainstream services supporting those experiencing homelessness or at risk of homelessness have traditionally addressed the accommodation and personal needs of clients, such as financial stress, drug and alcohol issues, mental health concerns, and family and domestic violence. Typically, they have not been concerned directly

with the provision of employment or business opportunities for their clients. The social enterprise model seeks to address social problems while operating on commercial principles. It is one that has been put forward as important in supporting the needs of homeless people, particularly in terms of providing direct avenues for employment. The social enterprise model can also be used as a means of generating revenue for homelessness services to achieve financial sustainability.

This section provides case study evidence of a group of social enterprises supporting those experiencing homelessness, providing a background of their missions and history, their initial funding profile, and how that profile has changed over time as they have scaled their operations. Using informal content analysis of annual reports and organisational websites, in conjunction with interviews with senior employees from these initiatives, we identify important dimensions of their work and in the evolution of the financing of these services over time. In selecting a sample, we set out to capture initiatives that address issues of homelessness a) in different ways, and b) utilise different funding models. As a result, our sample can be categorised in two different ways, namely, the types of services provided, and their funding mechanisms.

Two of our initiatives—Women's Property Initiatives and HomeGround—focus on creating a revenue stream as well as meeting the housing needs of the homeless. The other two initiatives—The Big Issue and STREAT—do not provide explicit homelessness or housing support. Rather, they provide opportunities to homeless individuals that ultimately facilitate their journey to independence and freedom from homelessness through employment and business opportunities.

Table 3 below provides a summary of these social enterprises according to the services provided and their funding source.

Table 3: Summary of social enterprises by services provided and funding source

Organisation	Homelessness population served	Primary homelessness services provided	Primary funding source (current)
Women's Property Initiative (Property Initiatives Real Estate)	Women and children (Women and children/all)	Affordable housing (Private rental housing)	Subsidised rental revenue from tenants) (Rental revenue)
HomeGround Services/Launch Housing (HomeGround Real Estate)	General/whole	Homelessness support/affordable housing	Government, rental income, philanthropy
The Big Issue	General/whole	Employment	Sales, subscriptions, sponsorship
STREAT	Youth	Employment and training	Sales, government, philanthropy

2.6.1 Women's Property Initiatives

Women's Property Initiatives (WPI) started in 1996 as a project funded by the Victorian Government in response to the lack of accessible and appropriate housing for low-income single women and single mothers. WPI now operates as a not-for-profit community housing provider, offering safe and stable housing to single women and single mothers with low-moderate incomes, with rent fixed at 30 per cent of income or no more than 75 per cent of market rate. WPI has steadily increased its property portfolio over time, with both purchases of existing properties and new developments, and now houses 173 women and children in 65 homes. WPI has a strong focus on holistic client care, and continues to form relationships with

other support services so they can refer their clients to complementary services like counselling and rehabilitation.

Providing housing to women fulfils a major need in the homelessness arena as the significant gap between public housing demand and supply disproportionately affects women and single mothers in particular, as a result of their relatively lower ability to attain high income due to broader inequality issues as well as their role as a primary caregiver. In addition to fulfilling the immediate need for shelter, providing housing to single mothers helps to break the cycle of intergenerational poverty as a stable home builds the child's sense of psychological safety, which in turn, and in conjunction with the stable home, facilitates academic performance and the pursuit of education.

Table 4: Women's Property Initiatives' funding sources and financial position 2012–15

Year	Funding from government and other grants	Funding from customers and other sources	Financial position
2012	$342,982	$699,729	$(219,711)
2013	$298,200	$734,329	$(288,800)
2014	$287,144	$1,125,365	$(218,163)
2015	$108,818	$1,434,899	$390,038

Since 2012, as outlined in Table 4 above, WPI has reduced its proportion of government funding from about one-third of total funding to less than 10 per cent mainly by increasing income received from customers and other sources, which now also includes their recently established social enterprise, Property Initiatives Real Estate. Much of this progress towards financial sustainability is quite recent; from 2014–15, WPI reduced their cash flows from government and other grants by almost $180,000 while increasing their cash flows from customers and other sources by over $300,000. Furthermore, WPI no longer receive recurrent government funding, only capital grants. This independence from government funding is indicative of the broader financial trend of WPI. The organisation also improved their total position from a deficit to a surplus.

These financial transitions indicate increasing financial sustainability, at least in terms of the prevailing dilemma of dependence on government funding. In addition to the shift of funding sources away from government sources to direct revenue from the services provided, WPI has started a social enterprise called Property Initiatives Real Estate (PIRE). PIRE operates as a full-service real-estate agency, with a focus on enabling socially conscious landlords to receive a financial return on their property investments while helping vulnerable people secure housing. PIRE provides an experienced team, comprehensive tenant evaluation, and full-service property management. As a social enterprise, PIRE provides a double benefit for WPI: it broadens the portfolio of potential properties that they can offer eligible clients, and it provides a likely future income stream as all income from PIRE goes directly back to WPI.

2.6.2 HomeGround Services/Launch Housing

HomeGround Services, formed at the end of 2002 as a merger between Argyle Housing Services and Outreach Victoria, is one of Melbourne's largest providers of crisis and transitional housing support, and outreach support. In July 2015, HomeGround Services merged with Hanover, another homelessness service organisation of similar size and scope. HomeGround and Hanover were both not-for-profit organisations that were secular and structurally independent from government. This independence positions the organisations as more open to the entire spectrum of homeless people (in terms of age, gender, sexuality, family status, and so on), and also enables them to engage in extensive advocacy. The funding for both

organisations was (and continues to be) derived primarily from government grants, with smaller proportions of funding coming from rental income and, more recently, real estate management.

In light of recent calls for not-for-profit organisations across the community service sector to evaluate the efficiency and effectiveness of their operations, the merger of these two organisations that are aligned in terms of mission, vision and service provision can be argued as motivated by the need for financial sustainability and improved scaled impact. Joining forces enables both organisations to use each other's expertise to enhance existing services, expand service offerings in terms of geographical area, the range of services, and the amount of people served, all while maintaining (and likely improving) financial efficiency. Therefore, although the funding profile of HomeGround has remained relatively stable over time (see Table 5 below), the organisation is cognisant of its financial sustainability requirements.

Table 5: HomeGround Services funding sources and financial position 2011–14

Year	Funding from government and other grants	Funding from rental and real estate management fees	Operating surplus/deficit
2011	$12,573,317	$1,055,269	$(202,901)
2012	$14,212,006	$1,684,877	$(859,464)
2013	$14,273,415	$1,816,498	$162,419
2014	$15,229,679	$1,899,933	$558,266

HomeGround launched HomeGround Real Estate (HRE) in 2014, as a not-for-profit, full-service real estate agency. HRE continued under this banner despite the merger between HomeGround and Hanover.

HRE is an affordable housing initiative with three tiers of operation: commercial, affordable housing and philanthropic. The first tier is a commercial arrangement whereby HRE manage properties on the same basis as any real estate agency.

Under the second tier, landlords offer their property to be rented (through HRE) to eligible tenants at more affordable rates; the landlord foregoes a percentage of their rental income (usually 25 per cent). From the landlord's perspective, they forego some financial return in favour of a social return. They therefore become an impact investor. HRE offers variable property management fees depending on the landlord's preferences and abilities. This greater flexibility may balance some of the financial sacrifice of providing the housing at an affordable rate for landlords, enticing them to sign with HRE rather than a general real estate agent.

In HRE's third tier, landlords 'donate' their property to HRE for a time period of their choosing. The landlord, therefore, becomes a philanthropist. These properties are then used to house people who are currently homeless. Any rent received by HRE from properties under tier three is used to support tenants and maintain properties, in consultation with the property owner. HRE, although under the brand umbrella of HomeGround, is a separate not-for-profit organisation whose profits further its own operations, rather than acting as a new income stream for HomeGround Services/Launch Housing. Therefore, HRE aims to expand HomeGround Services' service offerings and, by involving landlords, an audience not typically associated with addressing homelessness, spreads awareness of and action towards the homelessness problem. At the end of July 2016, HRE was managing 243 properties. Of these properties, only 79 were rented at full market value, with the rest rented at subsidised rates or as social housing.

2.6.3 The Big Issue

The Big Issue launched in Australia with its flagship magazine in 1996. Since then, it has expanded to initiatives such as The Big Issue Classroom, the Women's Subscription Enterprise,

the Community Street Soccer Program, and The Big Idea. The Big Issue endeavours to help homeless people help themselves by providing vendor and employment opportunities through social enterprises.

The *Big Issue* magazine gives homeless individuals the opportunity to purchase the magazine for $3.49 then operate as a vendor, selling the magazine for the recommended retail price of $7 and keeping the profit. Being a vendor for *The Big Issue* magazine is not always a safe and viable option for women, so the Women's Subscription Enterprise employs women to pack magazines for distribution to subscribers. The Big Issue Classroom is an initiative designed to spread awareness of homelessness to both schools and corporate groups. By charging a workshop fee, The Big Issue is able to employ homeless or recently homeless (and still at risk) individuals to speak about their experiences. The Community Street Soccer Program is a social inclusion initiative that allows homeless individuals to participate in weekly soccer games, allowing them to form friendships and also providing access to support staff. The Big Idea is a competition for undergraduate and postgraduate students to develop and plan a social enterprise that universities in Australia pay a fee to participate in. The initiative can be customised to fit each university's needs, including metrics for assigning course credit or designing The Big Idea as an extra-curricular activity. The profits derived from The Big Idea then get fed back into The Big Issue and reinvested into current initiatives or expanding The Big Issue's scope.

A recent social enterprise launched by The Big Issue is the Homes for Homes initiative which encourages home owners and organisations engaged in property sales to donate 0.1 per cent of their sale price to Homes for Homes, with the donations being used to build affordable housing. The initiative has received seed funding from private philanthropists and a number of governments. Homes for Homes has been extremely well received; over AUD$100,000 has been raised from settlement of over 100 properties in Canberra. This funding will be invested back into the region it was sourced from (the ACT) in projects that increase social and affordable housing. The type of housing will depend on the areas of greatest need at the time of selecting building projects, and may include emergency accommodation, youth hostels, emergency dwellings for women and children, and housing for low-income earners. Although Homes for Homes will be operating as a separate entity to The Big Issue, it expands the breadth of The Big Issue's scope to address issues of homelessness.

As Australia's longest-standing social enterprise, The Big Issue has expanded its scope to encompass many of the issues associated with homelessness, from employment, social exclusion, negative societal perceptions, to housing supply gaps and the need for innovative solutions.

The Big Issue started with *The Big Issue* Magazine, which was brought to Australia from London by a group of prominent Australian business leaders, including those working in the homelessness sector. The Big Issue adheres to a strict definition of social enterprise, with each initiative funded by seed money (usually from philanthropy), but required to be financially self-sustainable within three to five years.

Table 6: The Big Issue revenue and net position, 2012–15

Year	Funding from donations and grants	Income from magazine sales	Financial position
2012	$3,296,935	$2,125,627	$59,144
2013	$2,699,192	$3,083,914	$112,134
2014	$2,392,184	$3,122,966	$130,852
2015	$2,405,745	$3,016,787	$317,122

In terms of applying the social enterprise model, The Big Issue requires its enterprises to be fully self-sustainable within five years. The broader Big Issue entity's financial reports indicate that income from donations and grants provides an additional source of income and is staying relatively steady over time (see Table 6 below). It is important to note, then, the value of donations and grants in enhancing the operations of The Big Issue. While The Big Issue's enterprises could continue to run without this income, the organisation is able to use this income to maximise the exposure and impact of their operations. The Big Issue's ongoing ability to attract grants and donations can likely be attributed to its continuing growth in both operations and reputation.

2.6.4 STREAT

STREAT is a social enterprise that offers training and employment opportunities to young homeless individuals between the ages of 16 and 25. Beginning in 2010 with one food cart and a Certificate II program, STREAT's operations have expanded to five cafés, a bakery, a coffee roastery and a catering company. STREAT also now offers a wider array of training programs, including hospitality short courses, Certificate I programs, work experience opportunities and a creative arts program, alongside the original Certificate II program.

Acknowledging that one in four homeless people are aged between 12 and 24, STREAT tailors their initiatives to homeless youth with the overall aim of young people in the programs becoming self-reliant and able to pursue independent living. This, in turn, helps to break the cycle of homelessness as the STREAT experience helps to equip young people with the skills and support to eventually leave homelessness support and live independently. STREAT works alongside many traditional homelessness programs, many young people are introduced to the STREAT through the other support services they receive, and STREAT refers participants to specialist services such as drug and alcohol, and mental health, in order to ensure holistic support.

STREAT was initially financed by overseas philanthropists, and now relies primarily on a combination of Australian philanthropy finance and revenue from its businesses. STREAT's overall financial aim is complete self-sustainability, with revenue from its businesses fully covering their business-as-usual costs.

Table 7: STREAT funding sources and financial position 2012–15

Year	Funding from donations and grants	Funding from customers (trade revenue)	Financial position
2012	$650,500	$797,548	($38,327)
2013	$880,971	$1,555,680	($94,706)
2014	$922,135	$1,932,137	($76,371)
2015	$1,329,516	$2,438,327	$317,277

STREAT's revenue from both its operations and donations and grants has increased over the 2012–15 period (See Table 7 above). This can be attributed to their rapid expansion as well as significant media coverage attracting more external funding. STREAT's total financial position has drastically increased in financial year 2015, and the organisation projects that their total revenue from trade will continue on a strong upwards trajectory, with STREAT reaching financial sustainability in the 2018–19 financial year. This path towards financial sustainability is anticipated to be derived entirely from revenue from STREAT's operations; in STREAT's 'First Five Years' report, the projected financial figures place income from grants, donations and other charitable income as stable over time, with trade revenue dramatically increasing.

2.7 Case study 7—Youth Foyer: Education First Youth Foyers— Glen Waverley and Broadmeadows, Launch Housing and Brotherhood of St Laurence, Victoria

The Education First Youth Foyers model in Victoria is led by Launch Housing and the Brotherhood of St Laurence. Education First Youth Foyers work with vulnerable young people aged 16–25 as they transition to independence. They accommodate up to 40 young people in studio-style accommodation units with cooking facilities, a bathroom and learning area with various shared facilities such as a laundry, communal kitchen and study areas. The 24-hour on-site staff, together with partner agencies such as Headspace, Ladder and others, provide a range of services to young people including accommodation, education and training, employment assistance, life skills development, mental and physical health support, drug and alcohol support, mentoring and social participation. The Australian foyers are based on the UK Youth Foyer model. Engagement in education and training and/or employment is not optional but a core commitment for young residents. A unique feature of the Education First foyers in Australia is their co-location with TAFE institutions. Residents begin by undertaking a Certificate 1 in Developing Independence with the expectation that they will move onto other higher-level vocational courses or other education (Mallett, James et al. 2014).

Following an agenda set by the National Youth Commission in 2007–08, the Victorian Foyers originated in work by Hanover Welfare and the Brotherhood of St. Laurence who brought out David Chesterton from the UK Foyer Federation. A Foyer Foundation was formed in Australia in 2008 to promote Youth Foyers and the Victorian Coalition, elected in 2009, made a pre-election commitment to establishing three Education First Youth Foyers in Victoria.

The establishment of Youth Foyers, thus, became part of a political process driven by homelessness organisations. The then-Minister for Housing, Wendy Lovell, established the Employment and Youth Support Initiatives Development Inter-Agency Steering Committee chaired by a prominent previous Minister for Housing, Rob Knowles, to guide the development, implementation and evaluation of the Youth Foyers. The Committee included representatives of the Department of Human Services, the Department of Premier and Cabinet, the Department of Education and Early Childhood Development, the Australian Industry Group, the Victorian Employers' Chamber of Commerce and Industry as well as the CEOs of Hanover Welfare and the Brotherhood of St Laurence.

The Foyer model faced a number of barriers. There was some initial opposition from parts of the Department of Human Services because the proposed size of the accommodation (22 square metres), based on the usual student accommodation room, was regarded as too small; to build a larger preferred size (55 square metres) was too expensive; to co-locate them with TAFE and build them on Department of Education land was not possible; and the model was too expensive because it involved 24-hour staffing and a two-year commitment to the young person (rather than the usual six-week support period).

In the process, the Committee endorsed a number of documents concerned with:

- the functional design of Foyers which outline the design principles for ensuring that the space facilitates the objectives of the program by providing the same size accommodation as that offered to students by major universities
- a broad framework for the development of Foyers
- an evaluation framework
- a research evaluation design.

Also under consideration was the location of the Foyers; they needed to be located in an area where young people would get employment.

Genuine co-design between homelessness organisations, government departments and the private sector was an important element in the development of the Youth Foyers.

Two Education First Youth Foyers, managed by Launch Housing in partnership with the Brotherhood of St Laurence, are now in operation in metropolitan Melbourne. The first Foyer, co-located with Holmesglen Institute of TAFE in Glen Waverley, was opened in 2013 and the second, co-located with Kangan Institute of TAFE in Broadmeadows, in 2014. A third foyer in regional Victoria, managed by Berry Street in partnership with Rural Housing Network and co-located with the Goulburn Ovens Institute of TAFE in Shepparton, is due to open in 2016.

The funding of Launch Housing's Education First Youth Foyers is complex, involving many sources of funding and a broad range of partnerships to provide necessary and supplementary elements of the program.

Capital for the establishment Foyers comes from two sources. The local institute of TAFE provided the land on which the Foyer was built. The Holmesglen Foyer was originally built as student accommodation under the National Rental Affordability Scheme (NRAS). Subsequently, the Department of Human Services provided capital funds to renovate the building, particularly the ground floor, to make it suitable as a Foyer. For the construction of the Kangan Foyer, the Department of Human Services provided capital funding of $7m. The Department of Human Services also provided the funds for the fit-out of the Foyer, that is for beds, desks, chairs, computer labs, etc.

Operational funds to staff the Foyer 24 hours a day is provided by a $1.2m grant per foyer from the Department of Human Services. Foyers charge young people for their accommodation using the public housing rent formula (25% income). This rent revenue is used to meet the cost of maintaining the Foyers.

Launch Housing has also received once-off funding for their Foyers from philanthropists and corporate sponsors for one-off projects. In 2012–13, a philanthropic foundation provided $10,000 to adapt the UK Foyer's Open Talent approach. In 2013–14 and 2014–15, a philanthropic foundation provided $80,000 in each year for a Relationship Manager to develop connections in the community so that young people can have access to work. In 2014–15 and 2015–16, Maddocks provided $20,000 in each year to develop a Mentoring Program. In 2015–16 and 2016–17, a philanthropic foundation provided $80,000 in each year for Transition Coordinators.

Each year Launch Housing raises funds from individual donors and two philanthropic trusts for their Client Support Fund. Approximately $60,000 per annum is allocated from this flexible pool to the Foyers. Currently, Launch Housing is in discussions with three separate philanthropists, comprising a social enterprise and two major donors, for contributions to a combined Post Foyer Flexible Housing Fund for 2016–17.

Ever since their establishment, Education First Youth Foyers have had a strong emphasis on evaluation. As part of a five-year evaluation across the three Foyers, $1.1m has been allocated to evaluation. A philanthropic foundation and the Department of Human Services have each contributed half the required funds.

Partnerships are a key factor in the ongoing success of Foyers. Of particular importance is the role of the TAFEs who support the program by paying for a teacher to deliver the purpose-built Certificate 1 in Developing Independence. As a way of ensuring that young people in Foyers receive services, Foyers have established service partnerships with a range of agencies such as Headspace, Child and Adolescent Mental Health Service, Victorian AIDS Council, Sexual Health Centres, Employment Support, Ladder (AFL Players Association). Some of these organisations deliver services on site. Some of the arrangements have been formalised through Memorandums of Understanding.

Within Launch Housing, Education First Youth Foyers are a relatively small homelessness program, among a broad range of other programs. It represents about 5 per cent of their total operational budget. Yet, potentially the Foyer program could have had a major impact on Hanover/Launch Housing and the Brotherhood of St Laurence as organisations. However, as the program depended upon the construction of purpose-built accommodation (and this took some time), it gave the organisation breathing space to develop their service model. In addition, they were able to phase in the number of participants in each Foyer by establishing a culture with a small number of highly motivated young people and then allowing the culture to develop slowly by introducing a more diverse range of young people.

While the traditional performance measures for homelessness services has been on episodes of support or throughput, the focus of Foyers has been on outcomes for young people exiting with stable housing and having reached Year 12 or undertaken a Certificate III course.

The key findings in this case study were:

- Core funding for Education First Youth Foyers is from the Victorian Government. Without this core funding, Foyers could not develop partnerships with TAFE and other services to ensure the successful transition of young people to independent living.

- Philanthropic foundations play an important role on the margins, adding value; they provide funds for one-off developments that have become important to the success of Foyers.

- Similarly for corporate sponsors; they provide funds for one-off developments. In addition, they have also played an important role by providing mentors for young people and, by making connections within community so that the young people have access to jobs.

- Funding for Foyers is a complex juggling process.

2.8 Case study 8—Street-to-Home Program: Micah Projects, Brisbane, Queensland

Micah Project's Street to Home in Brisbane is an assertive outreach to rough sleepers and people experiencing chronic homelessness in Brisbane metropolitan areas. A notable feature is that of all the capital city Street to Home projects in Australia, the Brisbane program is the only one in which rough sleeping was shown to have decreased (Coleman, MacKenzie et al. 2013).

While this program formally began in Brisbane in 2010 when Micah Projects won a competitive tender, Micah Projects has been delivering services to people experiencing homelessness since the late 1990s. Under previous SAAP arrangements, it provided a range of Housing First services under the name 'Street to Home' during the day. These services focused on sustaining tenancies by integrating social supports and health services. In addition, with funding through the Management of Public Intoxication Program (MPIP) provided by the then Department of Communities and in partnership with Murri Watch (an Indigenous organisation that works with Indigenous people who are at risk of, or experiencing, homelessness), it operated a van at night taking intoxicated people in public places to a safe place provided by the agency and so preventing them from being locked-up in the Brisbane Police Watch-house. Through this work, they found: different groups of rough sleepers—Aboriginal and Torres Strait Islander people, young people, men and women, people from culturally and linguistically diverse backgrounds; people presenting with a complex range of issues—drug and alcohol, mental health, domestic violence; a fragmented service system where people often fell between the gaps. They decided to develop a seamless service system as far as individuals and families with children were concerned. However, this system was supported by complex funding arrangements at the backend. Rather than focusing on outputs only as required in their funding arrangements, they developed their own internal outcomes criteria for the services they provided, which has driven

the development of their practice framework of Housing First. Their goal was to end homelessness rather than just managing or addressing homelessness.

Street to Home is a national program funded through the National Partnership Agreement on Homelessness. Primarily, however, Micah Projects operates their Street to Home in the inner-city and greater Brisbane areas. As an assertive outreach program, Street to Home workers actively patrol public places where homeless people gather, engage with homeless people sleeping rough (many of whom are reluctant to do so), assessing their needs through a Vulnerability Index Tool, maintaining a register of homeless people and their needs, and, where required, delivering services in the public places where people experiencing homelessness live or gather.

Rather than using the traditional case work model of service (where an individual worker is assigned a number of homeless people to work with), Micah Projects uses an integrated team approach. Street to Home operates 19 hours a day Monday to Friday from 6.00am to 1.00am and on weekends from 9.00am to 1.00am. Street to Home is complemented by a team of health professionals. Micah Projects has outsourced funds from the Primary Health Network (previously Medicare Local) to the Mater Hospital who employs and provides clinical nurses and clinical oversight of nurses who are co-located with the Street to Home program.

Of particular importance has been their process of assessing each person using the Vulnerability Index Service Prioritisation Decision Assistance Tool (VI-SPDAT). This tool identifies the extent to which each homeless person is vulnerable based on their presenting needs and the Street to Home team tailors their response accordingly. Thus, those who score 0–4 on the index are people who primarily require affordable housing rather than other services and are diverted to housing services for assistance; those who score 5–9 are people who require time-limited services and they are referred to the appropriate service; those who score 10–20 are people with long-term needs and require supported housing. This latter group are those that the Street to Home team primarily work with.

The Vulnerability Index tool also performs another function. It screens and provides self-reported evidence for the type of services that rough sleepers need. This information has changed the way in which Micah Projects has operated its Street to Home program. It has driven their understanding of the complex mix of resources required to meet the needs of people experiencing homelessness, who they need to partner with and, what type of funds they need and who they can source these funds from.

The Street to Home Program of Micah Projects is funded through a number of different sources. Its primary source of funding is through the Housing and Homelessness Program of the Queensland Department of Housing and Public Works under a current three-year agreement which may be extended to five years. These funds are supplemented by two other programs that are integral to the success of Street to Home in Brisbane. Micah Projects continues to receive funds from the Management of Public Intoxication Program of the Queensland Department of Communities, Child Safety and Disability. Funding through this program is annual, but has been rolled-over each year for more than decade. The other source of funds is the Innovation Fund of the Primary Health Network (PHN) (previously Medicare Local) of the Commonwealth Department of Health. These supplementary sources of funding are necessary given the needs of the client group and are virtually recurrent funding.

Micah Projects receives public donations from various sources and some of these funds are directed to the Street to Home program. Micah Projects has continued to maintain strong connections with St. Mary's Catholic community and this community has been a regular donor over 20 years. Schools do fundraising and provide donations for specific items such as hygiene packs. One of the attractions of donating to Micah Projects is that all donations go directly to the alleviation of poverty, that is towards furnishings, medications, food, relief of debt. These all play

an important part in setting up dwellings for rough sleepers. These set-up costs are estimated to be between $3,000–$5,000. Donations are used to supplement brokerage funds which are provided as part of Specialist Homelessness Services funds from the Queensland Government. As the work of Micah Projects has become more widely known, it has been able to raise public donations from various sources. Currently, in partnership with Mater Hospital and St. Vincent's hospital, they are seeking donations of $700,000 from corporates and individuals for a Specialist Homelessness Health Clinic in Brisbane.

Micah Projects also received various forms of direct contributions: bread and other baked goods from bakeries, donations of furniture, catering services, and provision of storage space by small businesses.

When asked about the mix of funding and its impact on their services and their development, the interviewee noted:

> *The barriers … are the government itself, the rigidities of government and the bureaucracies that operate in that space. If government are going to partner with the private sector and the NGO sector, there has to be a complete overhaul of systems and structures in order to enable that process to happen. Quite often the NGO sector are accused of not collaborating and being scared of systems and not understanding the needs of the population. I think it is the other way round. NGOs know that, but are quite poorly resourced and funded in order to present that type of information and intelligence to government and the private sector ….*

> *They [government] are still operating in silos … if you look at the previous government, they went into this very heavy contract management … that contract was only managed by that contract manager. They didn't give a toss about [other programs] … It became a contractual arrangement … against these very specific outcomes. That's why contract management is a barrier itself because they are not integrated ….*

> *They are only interested in their contracts. They are highly risk averse. Innovation and outcomes are too threatening for them, literally.*

The key findings in this case study were:

- Micah Projects delivers a broad range of services to and advocates on behalf of people experiencing exclusion, poverty, injustice and social isolation.

- Micah Projects is a community organisation with a reputation for developing innovative integrated programs and working in partnership with a range of other organisations. It has a strong base of donors, supporters and volunteers from schools, businesses, government, trusts and foundations, community organisations, community groups and individuals. Their large number is explicitly acknowledged on their website and in their annual report.

- It is within this very supportive context that Micah Projects operates its Street to Home program. It proactively seeks to assist rough sleepers through outreach, operating a service 19 hours a day. The program has developed and changed in response to the needs of rough sleepers. A key component is the data from their screening tool and triage system based on the Vulnerability Index.

- Micah Projects has developed an integrated and partnership approach to rough sleepers. It actively works in partnership with other organisations to ensure that rough sleepers are housed and receive the services they need to sustain their housing and to live well. Rather than simply going with where Government funds are going, Micah Projects is strongly motivated by its vision and takes as its starting point the needs of rough sleepers and seeks sources of funds which will meet these needs.

- State government and Commonwealth government programs are their primary sources of funding. These include the National Partnership Agreement on Homelessness, the Management of Public Intoxication Program and the Innovation Fund of the Primary Health Network.

- These core funds are supplemented by grants from trusts and foundations as well as donations and contributions-in-kind from schools, businesses, community organisations and individuals.

2.9   Case study 9—Social impact bonds

2.9.1 What are social impact bonds?

Social impact bonds (SIBs) are a new but increasingly popular method of funding the delivery of social services. In this model, private investors finance the development and delivery of a social program with a guarantee of payments from the government if agreed-upon outcomes are achieved. Therefore, in order for a social impact bond to be feasible, the planned activity must have meaningful and measurable outcomes that the service provider, private investor, and government stakeholders can agree upon as measures of success (Gustafsson-Wright, Gardiner et al. 2015). These outcomes need to be demonstrable within a timeframe that the above stakeholders agree upon as reasonable. Further, it is recommended that investors select service providers that have a history of successful projects that are comparable in scale and area of desired impact. The final necessary precondition for the feasibility of social impact bonds is an appropriate political and legal environment, that is, one in which stakeholders (particularly government) are receptive to social impact bonds and logistically able to pay and/or repay them. The first social impact bond was issued in the United Kingdom in 2010, and as of early 2015, 44 bonds had been issued across Europe, North America and Australia (Gustafsson-Wright, Gardiner et al. 2015).

2.9.2 Social impact bonds in Australia

The SIB market in Australia is rapidly expanding. Two SIBs were issued in New South Wales in 2013; the Newpin Social Benefit Bond for the expansion of a UnitingCare intensive intervention program aimed at returning children in care to their families and preventing entry into the care system attracted $7m of principal funding; and, the Benevolent Society Bond for services for families experiencing issues such as domestic violence, substance misuse, mental health difficulties and housing instability attracted $10m of private capital. In addition, the NSW Government has expressed strong hope and vision for the future of social impact investing in Australia in its release of the NSW Government Social Impact Investment Policy. The development of policy at such an early stage of adoption is an extremely positive step for the future of social impact investment. The policy identifies several actions the NSW Government intends to undertake to ensure the continued success of social impact investment, such as the development of core principles for the assessment of investment opportunities, the publication of cost and outcomes data, and facilitation of cross-sector communication and collaboration.

In other states, Queensland is currently piloting an SIB program with three focus areas: homelessness, Indigenous disadvantage (specifically children in care and chronic health issues), and recidivism (Branley and Hermant 2015). The Queensland Government received 23 responses to its call for expressions of interest and, after evaluation by the panel chaired by Queensland Treasury, has transitioned several projects to the Request for Proposal stage. Following in the footsteps of NSW, the Queensland Government has released a Principles document for the Social Benefit Bonds Pilot Program. The Principles include a focus on prevention and early intervention, delivery of social outcomes through selection of trusted service providers and a consistent focus on the individual, robust outcomes measurement and

reporting, value for money, and strong commitment across all partners. Victoria has announced an investment of $700,000 in the 2016–17 budget to explore options for social impact bonds in the state. This has involved the hosting of information sessions, development of a Statement of Opportunities, and two workshops for potential applicants. The two areas of social disadvantage that the Victorian Government is looking to tackle with SIBs are drug and alcohol programs and youth transition from out-of-home care. The Victorian Department of Treasury and Finance projects that each SIB could attract approximately $10m.

Though not unique to Australia, for the SIBs to date, the Australian Government has provided a portion of the savings delivered by the bond-funded programs as a return on investment to the initial capital providers. This has resulted in up to 8.9 per cent return on investment (ROI) for the social impact bonds issued thus far. Therefore, an important step in the contract development for SIBs is deciding how ROI will be determined; for example, whether ROI will be a fixed percentage or a proportion of savings offered, and whether there will be a ceiling to the amount that the investor can receive. In the Australian cases that are underway, the Newpin Social Benefit Bond delivered returns of 7.5 per cent in its first year and 8.9 per cent in its second year and, as at December 2015, the Benevolent Society Bond is on track to deliver compounded returns to investors of 5 per cent per annum. In terms of social return, the Resilient Families program funded through the Benevolent Society Bond has prevented children from 75 families from entering foster care. Presented another way, 88 per cent of families referred to the program are still together. The Newpin Social Benefit Bond has helped to return 66 children in care to their families and helped prevent children from 35 families from entering care.

2.9.3 Australia's first social impact bond to address homelessness

To date, SIBs worldwide have been applied in the education, employment, criminal justice and social welfare sectors, with social welfare encompassing many issues such as early childhood development, youth affairs, and homelessness. Specific to homelessness, only four SIBs globally have been directly targeted in this area. One of them began in Australia when the South Australian Government signed a social impact bond in late 2015 to deliver a specialised homelessness service through Common Ground Adelaide and Hutt Street Centre. The proposed SIB has seen the South Australian Government make a $9 million commitment if Common Ground Adelaide and Hutt Street Centre raise the initial capital required to launch their intensive program to support 400 homeless individuals. The program is currently in the joint development stage to refine the program and develop a prospectus to present to investors, and thus protected by Non-Disclosure Agreements.

In terms of the background of the two organisations, Common Ground applies a 'Housing First' philosophy to homelessness (Johnson, Parkinson et al. 2012), providing affordable housing to low-income tenants and individuals that are homeless. The former group have fairly stable lives, but would struggle to afford market rate tenancies, while the latter group are homeless as a result of other, compounding personal issues. The Housing First model takes care of the immediate need for shelter through the provision of a permanent, stable residence and working intensively with clients for their other issues such as drug and alcohol addictions, training and employment needs, mental health issues, while they have that home base. This is exactly opposite to the alternative model which moves clients through different temporary housing 'levels' while working to address their other issues, so that they secure permanent housing once the other areas of their lives have stabilised. Common Ground tenants are still held to tenancy agreements with standard property care expectations. Common Ground boasts a 95 per cent success rate, meaning that 95 per cent of clients do not return to homelessness. While Common Ground focuses on the accommodation aspect of homelessness support, Hutt Street Centre offers case management for issues such as mental health, drug and alcohol, social isolation and unemployment. In addition, Hutt Street Centre is a registered training organisation

offering a range of courses to homeless individuals, has a day centre which provides meals, showering facilities and lockers, as well as aged care and pastoral care.

The acceptance of the application of Common Ground Adelaide and Hutt Street Centre highlights several benefits of the SIB model. It enables two organisations that are addressing different challenges related to homelessness very successfully to join forces, without requiring mergers or other entity restructure. This enhances the potential social and financial benefit; the SIB model enables investors and guarantors (in this case, the South Australian government) to select service providers that are most likely to deliver the desired social outcomes and, in turn, financial returns to investors and savings to government, and the two organisations collaborating are able to service their clients more comprehensively, reduce service duplication and maximise efficiency. Further, the prior success of Common Ground and the Hutt Street Centre in delivering their services can be leveraged to attract private capital, increasing the likelihood of the SIB going ahead.

2.9.4 International cases of social impact bonds to address homelessness

In light of the early stage and lack of publicly available information of the Common Ground Adelaide, Hutt Street Centre and South Australian Government case above, we look to two international cases to shed light on how SIBs to address homelessness may unfold in Australia.

The United States of America's first SIB (SIBs are named 'Pay for Success programs' in the USA) to address homelessness was announced in late 2014, to be carried out in the state of Massachusetts. A total of $USD1m of philanthropic funding and $USD2.5m of private capital was raised from a bank and two homelessness support institutions. In addition, the initiative leverages existing government programs such as rental assistance (Commonwealth of Massachusetts 2014). This appears to be a key point of difference; in Australia private investors do not usually operate in the area that the SIB targets and the government usually acts primarily as a guarantor for the SIB, meaning that while the homeless individual would not necessarily rescind any government support they were receiving upon entering into the SIB-funded program, the service provider would not factor that into the capital for the program. However, this is a speculative assumption as the South Australian homelessness SIB is still being developed and the relationship between existing government funding and SIB funding is not yet established.

The Massachusetts SIB involves the alliance of three homelessness support organisations to form the Massachusetts Alliance for Supportive Housing (MASH). MASH will use the SIB funds to provide 500 additional units of housing over six years, and anticipates that these units will service 800 individuals. The first shelter was completed in July 2015, and is expected to house 400 homeless individuals. The SIB has also allowed for the expansion of the health initiative Community Support Program for People Experiencing Chronic Homelessness (Massachusetts Housing and Shelter Alliance 2016). The Massachusetts case is similar to the upcoming Australian case in that it expands existing, successful programs and involves the collaboration of organisations providing complementary services successfully. In terms of the financial success of the SIB, while concrete rates of return on investment have not yet been released, the Massachusetts government is anticipating $USD6m in success payouts over the project's duration.

In the United Kingdom, an SIB was launched by the UK's Housing Minister and London Mayor in 2012. The program funded by the SIB is very specific; 800 rough sleepers identified by name are to be targeted by an intensive homelessness support program called Street Impact. A total of £GBP2.4m in private capital was raised for the program and its success will be measured by reductions in rough sleeping, whether tenancies are sustained for 12 months or more, reduced emergency department visits, and level of engagement with paid and unpaid work (Centre for Social Impact Bonds 2016). A qualitative evaluation of the program's success was released by

the UK Government in March 2015. Overall, Street Impact is performing well (Department for Communities and Local Government 2015). The numbers of individuals entering stable accommodation are slightly under the target set by the government, however, first and second-year data indicate that these tenancies are being sustained for periods greater than 12 months. Full time employment was an area of particular success for Street Impact in terms of both attainment and sustainment.

The SIB market in the UK is at a more mature stage than in Australia, with the first social impact bond launched in 2007. The UK Government identifies SIBs as a preferred method of paying for services and encouraging service innovation. The model of obtaining private capital is quite comparable to Australia; however, the UK Government appears much less forthcoming with funding, outlining stringent outcomes that must be achieved in order for payment to be approved and minimal compromise if programs do not achieve those outcomes. This is indicative of the maturity of the SIB market; the UK has a proven track record of success with SIBs, making investors more aware of the potential risks and benefits and thus reducing the need for government intervention and guarantees to attract potential social impact investors. Based on the success of the first two NSW SIBs, Australia and more specifically, the Australian Government, may well follow the same trajectory towards a thriving SIB market.

3 Analysis of the case studies

This chapter presents general findings and analysis of the case studies. These include:

- The predominant form of funding for homelessness services is government funding, especially funding through the National Partnership Agreement on Homelessness.

- All case studies recognised their need to diversify their sources of funding.

- Managing multiple sources of funding has costs for agencies which affect the delivery of services including:

— managing services and staff through staggered funding periods

— managing the different output requirements of each funding source

— managing different monitoring and reporting requirements, and

— maintaining relationships with a number of different funders.

- Philanthropic funds are widely used to initiate new services or to pilot an innovation.

- Corporate sponsorships, public donations and philanthropic organisations are not yet feasible as long-term stable sources of funding for homelessness services. Each of these sources presents challenges and work needs to be done to address them.

- Social impact bonds are a relatively new way of attracting funds, but there are questions as to what social issues they might most viably address.

- Social enterprises are facilitated where auspicing agencies can use their existing capability and infrastructure. While the function of some social enterprises is to provide supplementary funding for homelessness agencies, the function of others is to provide new opportunities for homeless people.

- There is much more evidence about the impact of funding mix on agencies than on client outcomes.

The aim of this Policy Inquiry is to gather evidence on the diversity and complexity of how agencies deal with funding issues and the implications that the funding mix has on the structure of agencies, on their services and on outcomes for people who are at risk of, or are experiencing homelessness. The case studies were informed by two research questions from the Policy Inquiry (Flatau, Wood et al. 2015):

Research Question 2: What is the impact of the funding mix on the nature, structure and types of services provided and the extent to which these support different groups of homeless people?

Research Question 3: What is the relationship between the funding mix and service structures on the one hand and the outcomes for people who are at risk of, or are experiencing, homelessness?

The limited set of case studies does not allow for broad generalisations on answers to these questions. However, some insights can be derived from an analysis of them. This chapter, then, presents an analysis of the key issues emerging from the case studies presented in the previous chapter. It is presented under four headings:

1 An overview of funding sources and their significance.

2 The impact of funding mix on agencies and their services.

3 Funding and outcomes for people who are at risk of, or are experiencing, homelessness.

4 Social enterprises—this is discussed separately because it presents particular issues.

3.1 An overview of funding sources and their significance

The case studies confirm the findings of Flatau, Wood et al. (2016) that the predominant form of funding for homelessness services is sourced through the National Partnership Agreement on Homelessness. Agencies complement this specialist funding with funding from a range of other mainstream Commonwealth and state funds. These government funds are supplemented by rental income (where an agency manages/own housing stock) and by a range of other sources such as philanthropy, corporate sponsorship and donations, public donations, bequests, fundraising activities etc. These sources of funds, however, usually represent a small proportion of income for agencies. The exceptions to this were the larger welfare agencies—Mission Australia and St.Vincent's Hospital—which, as large national agencies, can draw in larger amounts of non-government funds. For most agencies, however, these non-government sources of funds supplemented their government-funded services—providing food, debt relief, furnishings, medications, set-up costs of dwellings etc.—or, allowed them to respond to the needs of their clients through some innovative service.

Only Mission Australia and St. Vincent's Homeless Health Service (through their auspice agency) have access to ongoing high levels of private funds and have actively worked on accessing new non-government sources of funding. In both agencies, the Board has actively sought to develop fundraising strategies. Both have employed a person with a specific role of raising funds. Mission Australia with its longstanding high profile in the welfare area has successfully raised substantial non-government funds. As a large organisation, MA has the capacity to develop a sophisticated fundraising strategy that smaller organisations do not. They have a brand that they can market. They have the capacity to think strategically about what is happening in the different fundraising spaces: major donors, corporates, philanthropics, bequests, regular donors, public cash donations from appeals, fundraising events. They have the resources to think about how they develop an ongoing relationship with different types of non-government funding sources and how they will report to them.

Given the uncertainty of SHS funding, particularly in NSW, and the critical need for accommodation, the case study agencies are either actively seeking or have established additional income sources. However, the potential for private funding of homelessness services was thought to be fairly limited. SAHSSI, for example, as noted above in Section 2.4, are seeking to diversify their funding base through philanthropic opportunities and to acquire land through a donation from a local business. Wintringham has successfully sought non-government funds on a one-off basis to fund particular capital works projects. Micah Projects Street to Home has developed their non-government sources of funding organically. They rely primarily on government funding, but have supplemented their homelessness services with donations of goods and cash through their ongoing relationship with their local community (from

which the organisation originated). NESAY and Launch Housing's Education First Foyer have sought funds from philanthropy on a one-off basis for particular innovative projects. As these projects have come to an end, so has the funding. Nearly all agencies in the case studies recognise that they need to diversify their funding base in view of the services their clients need and the limited resources available from government. Most are actively looking at new sources of funds but recognise the challenges involved in this. However, there appears to be considerable variation in the extent to which agencies are able to achieve a more diverse funding mix.

3.2 The impact of funding mix on agencies and their services

3.2.1 The impact of multiple funding sources

Each of the case study agencies produce annual audited financial statements which are available on their websites or through the Australian Charities and Not-for-profits Commission (ACNC). These statements present an initial picture of the revenue sources of each agency. Yet, this initial picture belies the complexity of the funding environment within which each operates. Each financial statement outlines the basic categories of revenue, but behind these basic categories is a variety of continually changing revenue sources and level of revenue, whether from a single government department with funding from different branches, or from different Commonwealth and state government departments, or from local government, or from different philanthropic organisations or corporate sponsors. The case study agencies had to continually juggle different funding sources along with a diversity of services over different time-periods.

As outlined above in Section 2.3, NESAY, a small regional agency, is one example of an agency trying to maintain a continually changing diversity of funding sources and programs. Larger agencies, such as Mission Australia in NSW or Launch Housing in Victoria, also operate diverse programs. There are advantages in achieving such diversity—access to various supports can be rendered easier; the agency can provide greater options for the various needs of its clients. However, on the downside, there is a greater administrative and accountability load.

3.2.2 The impact of multiple government funding programs

Many of the case study agencies source funds from many different government departments or even branches within the same department. The structure of each funding program is determined by the funders and is designed for their specific purposes. Thus, funding applications and subsequent reporting are geared around their particular target groups and their requirements rather than around the needs of people who are at risk of, or experiencing, homelessness and the services they require. Such needs may vary from one location to another, and from one group to another. For services, a diversity of different government programs often means maintaining relationships with different government departments, working under a multitude of funding agreements with differing reporting requirements and with different beginning and end times. All this makes the task of managing an organisation very difficult, particularly as different programs require staff with specific skills for specified periods of time.

3.2.3 The significance of government funds

Despite the difficulties with multiple government funding programs with different expectations etc., Commonwealth and state government funds do play an important role. They provide a solid income base from which an agency can seek alternate sources of funds and/or develop innovate services in response to their clients' needs. This is illustrated by NESAY which, as a small regional agency, depended upon various Commonwealth and state government programs

for funds to deliver their core services. This base, however, also allowed them to seek alternative sources of funds from local government and philanthropic organisations for supplementary services and also to enter into consortium and partnership arrangements with other agencies so that they could deliver services to smaller numbers of homeless young people in their local areas.

3.2.4 Philanthropic funding

Philanthropic grants are widely used by agencies to attempt something new or to pilot an innovation. Right across the case studies there are examples. In some cases, significant philanthropic funding and other donations were required to develop the model. Wintringham is one example which has received significant philanthropic funding on a one-off basis to fund the acquisition of a residential aged care facility.

Many of the agencies regularly apply to philanthropic organisations for small amounts of funding, often on an annual basis. For some, this is a significant stream of funds and has allowed them to supplement their mainstream programs and to introduce innovations in their service. On the other hand, the prospect of receiving funds and the level of funds received has to be weighed up against the resources required to work out which philanthropic funds are relevant, the extent of competition for these funds, working through the criteria and presenting a case for funds.

Philanthropic funding was important to St Vincent's Homeless Health Service, Mission Australia, SAHSSI, NESAY and Micah Projects Street to Home. Yet, each noted that resources are needed to develop relationships and opportunities.

> It's kind of a mixture of a used car salesman and a women's service I think half the time […] So we have developed strategic funds, because we do need to diversify our funding, because we need to be able to survive. You can't always keep your eye on the sky and you can't always move quickly enough. But also we use it to value add. (SAHSSI)

Agencies understood that the general expectation of philanthropic funds is that homelessness services are the government's responsibility:

> Donors tend to like sponsoring or seeing their contribution going into sort of a hypothecated service […] Homelessness is a bit of a trickier one because it's operational costs generally and it looks like a service that our donors often expect the government will do. (Mission Australia)

Thus, philanthropic funds presently fund homelessness services in fairly limited ways, for example to initiate new services and pilot innovative services in the expectation that an agency will, in the longer term, find other sources of funds to continue the service.

3.2.5 Corporate sponsorship and donations

The Green Paper and the While Paper on homelessness (Homelessness Taskforce 2008; FaHCSIA 2008) both noted that some homelessness agencies received funding from corporate sponsorship and donations. The contributions of corporations can come in a number of forms: cash donations, provision of services such as legal services, marketing and brand advice and printing; provision of goods; facilitating staff volunteers and workplace giving programs; employment of people within homelessness programs; provision of buildings or their construction at cost.

This source of funding was referred to in several of the case studies. Many were successful in gaining some one-off support through corporate sponsorship. For example, SAHSSI is negotiating the donation of land from a local business.

However, apart from these one-off examples, agencies were not seeking corporate sponsorships as sources of recurrent funding. Some, such as NESAY and Wintringham, expressed the view that corporate sponsorship is limited. Some of the issues raised included:

- The most successful agencies attaining corporate sponsorship appear to be large welfare agencies based in the capital cities, particularly in Sydney where many of Australia's largest corporations have their headquarters. Agencies in rural areas where local businesses are struggling to survive, may find it particularly difficult to raise funds.

- Relative to other causes, homelessness may not be ranked highly as a cause.

- Within homelessness, corporate sponsors may prefer that their efforts are directed towards particular causes that are regarded as 'worthwhile' such as children and young people.

- Many corporations prefer to provide tangible goods and services (e.g. food, shelter, laundry and showering) rather than fund staffing and administrative costs and, the nebulous provision of 'support' to homeless persons.

- Many corporations expect some sort of tangible or intangible return for their investment. This can be in the form of an association with a major charitable organisation or with some 'worthwhile' cause.

- For agencies to attract corporate sponsorship, they have to market themselves and to do this successfully they may need a longstanding high profile brand.

- Board members and senior managers of smaller agencies may not have the skills to develop and maintain personal relationships with company boards and managers.

- Fund raising may distract board members and senior managers from their primary purpose, which is the provision of services to those who are at risk of, or experiencing, homelessness.

This suggests that, in order for corporate sponsorship to become a significant funder of homelessness services, changes are needed in both the corporate and homelessness sectors.

3.2.6 Social impact bonds

Social impact bonds are a relatively new business-like way of attracting private investment and there is keen interest in them as a promising model for mobilising private sector funds around a business proposition to ameliorate a social problem. It is still early days in terms of assessing what the scope and limitations of this approach will be in the longer term. There are questions as to what social issues this kind of funding might be most viable for.

One key issue is the monitoring and measurement of outcomes. The more complex the social issue, the more difficult is it to measure outcomes. The future of social impact bonds depends upon the capacity of governments and agencies to develop a more sophisticated and rigorous approach to outcomes. This is a necessary precondition for social impact bonds to become a more extensive source of funds for homelessness services. A second issue is the capacity of agencies to attract investors and thus raising the capital for new initiatives. The success of SIBs, particularly in the early stages, will be dependent on government's commitment to SIBs.

Nevertheless, once these issues are addressed, the applicability, viability as well as the long-term sustainability of SIBs will be evident over time.

3.2.7 Partnerships

The importance of providing an integrated service that met a range of client needs was highlighted in a number of the case studies. Agencies intervene at different points of a spectrum of responses, from early intervention to crisis support, with different types of service. One way of providing an integrated service is through a single agency (e.g. Mission Australia) having the resources to provide this broad range of services. Another way of developing an integrated

service, where resources are not available to the agency, is by building partnerships with other organisations. Micah Projects was a good example of this. They developed partnerships where they were unable to provide the full range of services for their clients or they did not have the expertise to deliver a particular service; with the Mater Hospital who employed and provided clinical oversight of nurses to work with their clients; with Murri Watch, an Indigenous organisation working with Indigenous people who are at risk of, or experiencing, homelessness.

The importance of systemic approaches to addressing homelessness and thus, of multi-sector collaboration and partnerships was an important theme in the case studies as agencies sought to access alternative sources of funds for services to meet the needs of their particular homeless clients.

3.2.8 The disjunction between services and fundraising

Most agencies are primarily focused on providing services to clients who are at risk of, or experiencing, homelessness. This is their *raison d'etre*. Unlike commercial enterprises, however, where revenue from the sale of the goods and services is integral to their success, for homelessness agencies, revenue raising is an activity that is separate from the delivery of their service. For example, it could involve additional marketing activities that requires specific attention, resources and skills separate from delivering services to clients. Thus, revenue raising has the potential, particularly for smaller agencies, to detract from the primary mission and vision.

3.2.9 Funding and the vision/mission of agencies

Homelessness services make decisions about funding and service delivery that affect the types of services they deliver and outcomes for their clients. Many, if not all, agencies in the case studies have a strong commitment to social justice. Yet, they also recognise a major gap in their available resources compared with the demand for services, and the availability of funding from multiple sources. The temptation, then, is to seek funding even if that requires a move away from the agency's core business and allow funders to determine the services that the agency delivers. As an alternative approach, an agency is driven by its vision and mission (and thus, the demands of its client group) and seeks those funds which will allow it to achieve this vision and mission, outcomes for clients and their social justice goals.

NESAY is one example of an agency whose fund raising activities was clearly driven by its mission/vision. As a result, they did not avail themselves of some opportunities and also limited their fundraising activities to those that did not significantly divert resources away from their services. Micah Projects is another example; it was strongly motivated by its vision. Its starting point was the needs of rough sleepers. It sought funds and partnerships which allowed them to meet these needs.

3.3 Funding and outcomes for people who are at risk of, or are experiencing, homelessness

Funders and agencies have an expectation that homelessness services will provide improved outcomes for people who are risk of or experiencing homelessness. However, at this time, the measurement of outcomes is often weak and convincing formal evidence of improved outcomes as a result of homelessness services is largely still not available. This evaluation task is even more complex where it seeks to identify the impact of funding mix and service structure on outcomes, as opposed to the service/service model itself.

Currently, in practice, most funders are primarily concerned with outputs that will justify expenditure. As a result, documenting and reporting against these outputs has become a major focus of agencies. The focus on outputs is further complicated by the range of funding sources,

each of which uses different output measures and has different reporting requirements. On the other hand, the evidence base on homelessness services outcomes overall is still developing and, from the case studies and wider searches we could not identify any outcomes evaluations that focused specifically on funding or service mix. Other areas of human service delivery have a more developed evidence base but even here there is very little research that disaggregates the impact of funding from other aspects of service delivery.

Nevertheless, the identification and measurement of client outcomes is increasingly important to governments and other funding agencies and, to homelessness services themselves. The case studies highlighted the beginnings of some examples of outcomes evaluations of services, but these stopped short in relating these to the impact of the funding mix of a service. All agencies in the case studies supported the principles of measuring outcomes, however, and acknowledged the limitations of traditional measures of outputs.

> *We need to look at moving away from just daily living activities to how are we engaging people into education and training and moving forward so that we are truly talking about recovery rather than just housing. (St Vincent's Homeless Health Service)*

For example, Mission Australia is committed to organisation-wide measurement of meaningful outcomes, and has initiated the use of the Personal Wellbeing Index across its programs and services as a result of a pilot study on the best ways for the organisation to measure impact (Mission Australia 2015). Launch Housing's Education First Foyers have ensured an ongoing process of evaluation that includes outcomes measures. The effectiveness of this model, its inter-agency partnerships and its mixed funding arrangements and their impact on outcomes for young people at risk of homelessness will become evident over the coming years. In addition, initial evaluations of the Micah Projects Street to Home program in Brisbane indicates that their service model has successfully reduced rough sleeping in the central Brisbane CBD.

More broadly, in recent years, a number of options for funding homelessness services have emerged including performance-based payment (payment by results) and impact investing. These options depend on robust outcome measures and data. Some agencies expressed strong views about this. They said that contracts and payment should be based on performance but that outcomes should be more precise and holistic than self-reported activity data. The challenges with outcomes measurement include:

- Comparing heterogeneous groups of people: the support needs and goals of people experiencing homeless are diverse, and devising a common set of outcome indicators to accommodate this diversity is difficult. Measures of clinical effectiveness or met need, such as the Health of the Nation Outcome Scale (HONOS) and the Camberwell Assessment of Need Short Appraisal Schedule (CANSAS), have known limitations as outcome measures.

- Client-led goals may be different from agency or funding body goals:

  > *A woman escaping DV—her main goal in life may not be to get an education, but the government may want that. (SAHSSI)*

- Risk of perverse incentives: performance-based contracts may reward agencies whose clients meet outcomes that are unrealistic for people with complex needs:

  > *If that NGO over there, for example, is cherry-picking the easy ones and that agency over there has a different mission and values and they're picking up the complex ones. (St Vincent's Homeless Health Service)*

While there is agreement between funders (including governments) and agencies that outcomes for homeless people are paramount and that aspirations to develop more outcome-based indicators is high, the measurement challenges have yet to be surmounted. For one

source of funds, social impact bonds, as noted above, their future as a more extensive source of funds for homelessness services depends upon the development of a more sophisticated and rigorous approach to outcomes.

3.4 Social enterprises

Two of the social enterprises—Women's Property Initiatives and HomeGround—focused on creating a revenue stream as well as meeting the housing needs of the homeless. The main functions of these services are to offer community housing and homelessness support. They have started their own social enterprise real-estate agencies to further their respective missions. As with most homelessness service providers, HomeGround traditionally relies heavily on government funding to carry out its services, but has moved to a mix of funding to auspice its social enterprise real estate agency. WPI is actively shifting away from reliance on government funding towards self-sustainability from the revenue generated from WPI client rent. WPI started Property Initiatives Real Estate as a social enterprise to develop a future income stream that will further facilitate the achievement of financial self-sustainability.

The other two initiatives—The Big Issue and STREAT—do not provide explicit homelessness or housing support. Rather they provide opportunities to homeless individuals that ultimately facilitate their journey to independence and freedom from homelessness through employment and business opportunities. STREAT provides training and employment opportunities to young (16–25-year old) homeless people through their portfolio of hospitality businesses. Young people can undertake work experience, Certificate I and II qualifications and short hospitality components through STREAT and/or obtain employment at one of STREAT's cafes, bakery, roastery or catering businesses. The Big Issue is a social enterprise that creates vendor opportunities for homeless individuals of all ages through selling the flagship magazine, or packing and distributing the magazine to subscribers, or speaking about their homelessness experiences in workshops designed to bring about awareness of homelessness in schools, as well as corporate groups. More recently, The Big Issue has branched out with a social inclusion initiative, a student business planning competition, and a housing provision initiative.

Both STREAT and The Big Issue are working towards financial self-sustainability via revenue from their activities, and are taking active steps towards it. Both organisations derive revenue from their operations and can achieve their respective missions with their current revenue, but to achieve their visions (e.g. through starting new initiatives), new revenue streams need to be established. A significant part of STREAT's operational revenue comes from customer purchases at the cafés, and *The Big Issue* magazine is quite unique in that the vendors (homeless individuals) purchase the magazines from The Big Issue, covering the costs of making the magazine, and the profit the vendors make from sales is their own. To increase operational revenue streams, STREAT has solidified its footing in the hospitality industry, expanding the number of cafés, starting a catering company, and making an equity investment to acquire a coffee-roasting business. Towards a similar goal, The Big Issue has expanded its range of revenue-generating activities within the homelessness space, including The Big Idea, which attracts fees from participating universities while also increasing student awareness of and innovation towards homelessness problems.

These organisations operating in the homelessness arena undertake shifts and expansions of operations and pursue various funding sources in order to attain long-term viability and impact. Table 8 below summarises these shifts, including the enterprises and new businesses the organisations have introduced to diversify their funding and services.

3.4.1 The establishment and expansion of social enterprises

The establishment of two of the social enterprises was made more attractive and was thus facilitated by the fact that the auspicing agency was able to use existing capability and infrastructure in establishing the social enterprise. This was clearly the case with HomeGround Real Estate:

> But basically it's an extension of just what we do anyway, which is tenancy management … we already have infrastructure in terms of an office, reception, a finance department, and a comms capacity which is pretty important. And also a name, which people would be willing to potentially let their properties through. So, reputable, the name. And HomeGround, as it was then, was big enough to do that sort of thing. (HomeGround Real Estate)

In HomeGround's case, their real estate agency was able to use the organisation's existing structures to establish an enterprise that expanded their service and continues to work towards the organisation's main objective of housing the homeless. It appears that this type of expansion is quicker and more successful in a shorter period of time if the 'parent' organisation is in a more mature stage, with strong reputation. Women's Property Initiatives (WPI) launched Property Initiatives Real Estate primarily for revenue diversification purposes, with the additional benefit of service expansion. However, because of the smaller, more niche position WPI occupies, they foresee a slower, steadier growth trajectory for their real estate initiative:

> We don't have a lot of money for marketing and advertising, so when you're looking at a level playing field, we're not up there, so it will take quite a while to get that name recognition. And also, to get some runs on the board in terms of people getting to know that we're providing that quality service and then, you know, word of mouth referrals begin to come in. (Property Initiatives Real Estate)

In other cases, expansion into complementary, more profitable areas of industries, serve to support the other, less profitable operations. For STREAT, operating in the hospitality industry with its narrow profit margins has meant that to survive, strategic expansion into more financially prosperous areas of hospitality—namely into coffee roasting and function catering—has been required:

> The only way we've been able to achieve that [projected self-sustainability] is by building a whole portfolio of businesses … we couldn't have done it if we just had cafés, for example. (STREAT)

This type of expansion also presents the additional benefit of securing the supply chain for the cafés.

Table 8: The evolution of homelessness service operations and funding

'Parent' organisation	Main homelessness\service provided	Initial funding	Current funding	Future financial sustainability plans	Initiative(s)/ businesses within parent organisation	Main purpose of initiative (to the parent organisation)
Women's Property Initiative	Community housing for women	Victorian Government	Revenue from services (rent)	Openness to strategic mergers Rental revenue Real estate enterprise	Property Initiatives Real Estate	Future additional income stream (to continue towards self-sustainability)
Homeground Services	Crisis and transitional housing support, tenancy support for all subsections of the homeless population	Victorian Government	Victorian Government (primary) Federal Government	Merger with Hanover to form Launch Housing	Homeground Real Estate	Increase housing supply Bringing about wider awareness of homelessness.
The Big Issue	Business opportunities for all subsections of the homeless population	Seed money from philanthropists	Revenue from current initiatives Donations, sponsorships and grants	Continuation and growth of current revenue-generating initiatives Expansion of initiatives New initiatives	The *Big Issue* Magazine The Big Idea Community Street Soccer Program Women's Subscription Enterprise The Big Issue Classroom Homes for Homes	Create employment opportunities for homeless people Prevention of homelessness through education Financial self-sustainability.
STREAT	Employment and training opportunities for homeless youth	Overseas philanthropists	Revenue from STREAT businesses Philanthropists (national and international)	Impact investment Acquisition of complementary, profitable businesses Revenue from current businesses	5 cafes A coffee roaster A catering company	Full financial self-sustainability. The revenue from the businesses will fully cover the costs of the training programs offered

Despite the success of these enterprises as businesses, the background reasons for and effort towards both maintaining and expanding operations cannot be emphasised enough. Often, it is years of work behind the scenes that leads to the successful launch of a new service:

> *I have people all the time saying to me 'well your growth has been really rapid, it looks like it's been effortless' and it hasn't been effortless! And for me it's felt like we've spent so many years just having conversations just trying to figure out how do you do these things? There's not the legal or governance structures often that make it easy so you've got all these workarounds that you're often trying to do. (STREAT)*

Also, expansion is not always driven by internal forces and desires. In some cases, it is a tightening funding environment that puts the proverbial 'writing on the wall' for homelessness services that are looking to survive financially:

> *That was one of the prime reasons for setting up the real estate company, in the absence of government funding we either sit on our hands and wait for the next round of government funding or we do something proactive. (Property Initiatives Real Estate)*

3.4.2 Financing social enterprises

The road to financial self-sustainability is not an easy one, and social enterprises often need to make tough decisions:

> *So you've either got to make a decision 'well, we're always going to be subsidised and that's ok' and you're going to need a range of different sources of money or you've got to find other ways to cross-subsidise things that we're doing or find parts of our industry that are more profitable. (STREAT)*

Interestingly, our case study organisations had very different experiences when seeking funding for their respective expansions. For some, it was quite a smooth process:

> *What we did find is that it was really easy to get seed funding for this idea because philanthropists kind of 'get it'. So we got a bit of seed funding and that let us get going much more quickly. So it let us do a much better website, for example and put on more people than we would have done otherwise. We've got a partnership with realestate.com.au, so they give us $150,000 per year for three years to consolidate it in Melbourne and to expand it in other states which we're in conversations with all sorts of people about. And they give us free advertising, which is worth a lot. (HomeGround Real Estate)*

> *Our strategies have worked well and look, not all, but quite a number of the people who give us money do it on a repeat basis, so we have a sort of longer term relationship. (Property Initiatives Real Estate)*

In other cases, the financing process was an arduous process with a lot of moving pieces:

> *You're squeezing every little bit of that stuff [finance] together. And if I think about the complexity of trying to bring all of those players together and all of those relationships … they're not simple deals. (STREAT)*

For others, the central tenet of the organisation's financing model is to remove dependence from external funding sources:

> *We can do extra activities through our corporate partnerships, but we are financially self-sustainable. We don't rely on sponsorship, donations, philanthropic grants or government funding to run our organisation …. So we definitely use seed funding to start each of our initiatives, but maintain that after a period of 3–5 years, it has to stand up by itself. (The Big Issue)*

Regardless of the relative ease or difficulty in obtaining funding, financiers in these types of ventures have very different expectations in terms of organisational reporting and return on investment than traditional profit-motivated investors. These expectations drive internal organisational processes, as well as intra-organisational financial decisions, in some cases. When bringing new initiatives to life, the social enterprises have to factor in how to meet their investors' expectations, including agreeing upon milestones:

> *Instead of a financial return, their [the philanthropic investor's] sole purpose for investing was a social return and we had to demonstrate that quite clearly and milestones that we had to meet. (Property Initiatives Real Estate)*

These milestones set around investor expectations mean that the organisation has to consider the potential social impacts of their enterprises, and how best to measure them:

> *We measure around impacts on education and health and social connectedness and all sorts of things. We survey the tenants every couple of years. (Property Initiatives Real Estate)*

In one case study, a major financial decision, namely whether to expand using a debt or equity investment, was dictated by investor preferences. This dynamic between investors and enterprises mean that the enterprises have to have advanced understanding of and planning towards their desired financial direction, and be willing to adapt to meet investor needs:

> *It's [philanthropic money] not free money. None of it is free money! All of it comes with different conditions attached to it or different amounts of work you've got to do to get it. So that need to understand what types of capital you'll need for what purpose in what sequence is actually what you would be thinking about. (STREAT)*

3.4.3 Expanding operations—alignment with mission

We discussed earlier that expansion opportunities were considered more attractive and feasible if they were compatible with the organisation's current activities and capabilities. However, beyond a viability argument, ensuring that the desired expansion aligns with the mission of the organisation is central to decision-making:

> *We make very deliberate decisions at the board level. We've actually got a tool that we use in assessing business opportunities where we're looking at 'well, what does it do for this portfolio of businesses in all those areas [profit, planet, people]?'. (STREAT)*

In addition to ensuring that expansions of service align with organisational mission, it was also important that the new enterprises added something new to address the homelessness problem:

> *We provide work opportunities, that's our job. So we don't provide housing support workers, the case officers … for us it's about being the work opportunity, then referring the vendors to whomever they need to be referred to. We're very strong about not duplicating services that already exist. (The Big Issue)*

Alignment with organisational mission and objectives also affected decisions regarding the structure of new enterprises. For HomeGround, starting a real estate enterprise was driven by their organisational objective of increasing housing supply, so the real estate arm operates as a separate but related entity:

> *Our objective is all about supply. So it's not a social enterprise in terms of raising money for another purpose. (HomeGround Real Estate)*

This contrasts with Women's Property Initiatives (WPI) who started Property Initiatives Real Estate as a cross-subsidisation initiative, with the profits from the real estate agency being fed back into WPI to fund their core services.

In sum, ensuring alignment with the organisation's existing activities and broader mission is important from both a feasibility and ideological perspective. While this results in different enterprise structures and internal decisions in different organisations, all of the organisations in the social enterprise case studies are cognisant of their broader mission when making service expansion decisions.

3.4.4 Keeping sight of the purpose

A theme that was striking among all of the social enterprise case studies was the strong, consistent connection of the organisation's operations with the overall aim of social impact:

> To help someone move through life from a challenging position, you've got to present them with opportunities and opportunities to make choices for themselves … We take the philosophy that to lift someone out of homelessness, you first give them a home, so that's what Homes for Homes is aiming to address. Then you give them a job … So the job for us creates choice, if you have money you have choices, so hopefully you choose to make positive choices … so we contribute to someone being on a more positive journey. (The Big Issue)

> We need to build more houses, we need to house more people. And that has been our pitch to investors and that's what we need to report back on—at the end of the day, how many women and children have been housed as a result of the profit driven out of the social enterprise and that's what we want to be able to measure. (Property Initiatives Real Estate)

In some cases, the social return on investment of particular enterprises within the organisation is weighed against its financial performance, and can be the make-or-break factor:

> We've got one café, for example, that's marginal, but it has a massive social impact. So we've made a deliberate decision to keep running that business because of its impact. (STREAT)

Therefore, while running a social enterprise encompasses many of the same processes of running a traditional corporation, and financial sustainability is a non-negotiable aspect of a successful social enterprise, the desire to create social impact is at the core of the operations of social enterprises. This means making tough decisions and considering a huge range of factors in planning for sustainability, but for the organisations in the social enterprise case studies, it seems that working towards the social good is an effective motivator to take on the complex environment.

4   Research findings and policy development implications

On the basis of a limited set of case studies (which does not allow for broad generalisations), the following policy implications are derived for the funding of homelessness services:

- Reduce the flow of people into homelessness through early intervention and postvention strategies.

- Better integrate cross-sectoral and cross-department funding packages to provide better integrated services.

- Governments form partnerships and co-fund initiatives with philanthropic and corporate donors.

- With critical optimism, pursue rigorous experimental trials of Social impact bonds.

This report provides evidence from nine case studies into how different forms of funding for homelessness services, particularly new models of funding, impact on the structure of organisations, on their services and on outcomes for people who are at risk of, or experiencing, homelessness. These case studies supplement the *AHURI Australian Homelessness Funding and Delivery Survey* whose results are presented in Flatau, Wood et al. (2016). A case study approach allowed for more in-depth examination of some funding issues. This approach is designed to unearth insights and explore concretely the sources and consequences of funding. While the overall funding picture presented in the case studies is one of complexity and diversity, a limited set of case studies does not allow for broad generalisations. This chapter summarises the research findings, policy insights and policy implications based on these case studies.

4.1   Research findings

The findings from these case studies confirm the findings from the *AHURI Australian Homelessness Funding and Delivery Survey* conducted by Flatau, Wood et al. (2016) that specialist homelessness services and mainstream services providing assistance to people who are at risk of, or experiencing, homelessness have typically been financed through government grants with a smaller role being played by philanthropic giving, volunteering and own-source revenue (in the case of accommodation services). In many cases, the reliance on these sources of income and resources inhibits opportunities to extend service provision beyond the limits of contracted services and develop innovative options.

The findings from the nine case studies sheds some light on the two main research questions.

Research Question 2: What is the impact of the funding mix on the nature, structure and types of services provided and the extent to which these support different groups of homeless people?

The funding mix available or achieved by agencies does affect the services they can provide and shapes the service organisation. The first fairly common situation is where agencies operate a number of complementary services drawing on funding from different government programs. Funding from these programs is currently the only recurrent funding available. On the one hand, this funding mix allows agencies to provide a broader range of services to people

who are at risk of, or experiencing, homelessness and thus, to achieve better outcomes. On the other hand, the mix comes at a cost: the complexity of funding arrangements requires high level management skills and an added administrative burden as different programs have different purposes, different target groups, different measures of performance, different reporting requirements and different funding periods and end-dates. In addition, mixed funding requires maintaining relationships with a range of departments and branches.

Funds from other sources such as public donations, corporate-sponsored donations, philanthropic grants, corporate sponsorships, corporate in-kind contributions and donations of goods and services, allow agencies to fill gaps within current services, to provide additional services, or to supplement/complement existing services. Social enterprises also provide new opportunities for homeless people.

At the same time, this focus on raising funds through a variety of means draws the focus of the Board, the CEO and other senior managers away from their main business—the complex and variable needs of the homeless, or those at risk of homelessness and responding to these needs with the right type and balance of services—to raising funds which make demands on the agency. Raising funds requires a different type of Board and CEO with entrepreneurial skills and personal skills. It requires intensive time, energy and the allocation of resources. It requires developing and maintaining ongoing relationships with funders as well as different forms of accountability, administration and coordination. It requires the development of a recognised and trusted brand over a very long period.

The complexity of funding arrangements and the mix of funding requires an adaptable agency, one that can introduce new services, restructure existing services and wind-up services as funds become available or are expended. This also has implications for the employment and retrenchment of staff.

Research Question 3: What is the relationship between the funding mix and service structures on the one hand and the outcomes of people who are at risk of, or are experiencing, homelessness?

It is very difficult to strongly correlate the funding mix and service structures with outcomes for people who are at risk of, or are experiencing, homelessness.

On the one hand, the correlation between a particular service model and its implementation and outcomes is weak because the measurement of outcomes is often weak compared to reportage of outputs. However, the Education First Foyers will have a well-documented case in a few years on the effectiveness of that model which involves inter-agency partnerships and is seeking income apart from their core capital and support funding from government. There is convincing evidence that the Street to Home program in Brisbane has reduced rough sleeping in the central Brisbane CBD whereas, by comparison, that has not been the case in any other capital city. The way Micah Projects implemented the model is most likely the main reason for that success. The estate agency initiatives by Launch Housing and the Women's Property Initiative appear to be a more effective way of operating in the private rental market while at the same time deriving additional income. It could be expected that new initiatives such as these would result in improved outcomes for those who are at risk of, or experiencing, homelessness but that cannot be claimed until there is evidence available.

On the other hand, given that the measurement of outcomes for particular service models and their implementation is weak, it is even more difficult to correlate outcomes with the mix of funding that supports those service models. While the case study agencies received funds from a range of sources, evidence that this mix, or any particular mix of funds, was significant to outcomes for those who are at risk of, or experiencing, homelessness was not forthcoming. Indeed, speculation that funding mix is significant for outcomes can only be determined once evidence of a correlation between service models and outcomes more generally is available.

4.2 Policy insights

The policy inquiry into the funding and delivery of programs to reduce homelessness was informed by two key policy questions:

Policy Question 1: What form should the funding of homelessness services take?

Policy Question 2: What options are available to government to increase the integration of homelessness-specific and mainstream funding and service delivery and improve client outcomes?

The following points represent policy insights that address these two policy questions.

1   The Specialist Homelessness Service (SHS) system currently receives funding of $639m annually. This funding has steadily increased year by year. Apart from the issue of whether there could be significant funding for homelessness from sources external to the SHS budget, a policy shift to serious investment in early intervention would reduce the flow into homelessness and therefore the use of homelessness services while at the same time saving money on health and justice services. Creating a greater supply of affordable housing would also be preventative of homelessness as well as achieve a more rapid rehousing of people who do become homeless.

Sources of private funding outside of the SHS budget are unlikely to provide a significant contribution to reducing homelessness, although there are many innovative and creative uses being made of relatively small injections of one-off funding. Moreover, the appeal for public donations of goods and cash, for corporate sponsorship, for in-kind contributions and for support of social enterprises, lies particularly in being able to alleviate the situation of people who are already homeless. It is a response to crisis.

2   The expectation of agencies, of philanthropy, of corporate sponsors, is that governments will provide the bulk of recurrent funds for services to people who are homeless. These services are costly, more so as the recipients are at a crisis point in their lives and are very vulnerable, some are from suffering long-term disadvantage, some are even destitute. Is it reasonable to expect other sources of funds to meet even a small portion of these costs?

3   Philanthropic grants will continue to be available and homelessness agencies will make good use of this funding source. However, the focus of philanthropy is on new and innovative services in the expectation that an agency will, in the longer term, find other sources of funds to continue the service.

4   Improvement and innovation could be seeded through partnerships between government and philanthropic foundations. This would involve having a policy of a modest sized innovation fund on an annual basis. The Education First Foyer evaluation, which is jointly funded by government and philanthropy, is a good example.

5   Funding for homelessness services tends to be fragmented according to funding department and program. In the homeless sector, several agencies remarked that their different programs are coordinated on the ground at the agency and community-level, but not coordinated at departmental and government levels. An alternative funding model could be based on holistic, community-level assessments of service needs, using funding packages delivered by agencies or consortia of community agencies.

6   Fundraising has its preconditions and some agencies have more opportunities than others. While some agencies have entrepreneurial and personal skills for fundraising, others do not. While some agencies are located in areas where they can avail themselves of rich veins, other do not. For example, the opportunities to access corporate sponsors and donors afforded agencies in Sydney where many large corporations have their headquarters are different from those in regional and remote areas where, depending upon the state of the

local economy, businesses may be struggling to make ends meet. Some agencies, particularly the churches, church welfare agencies and the large welfare agencies, have strong brand recognition while others have not. Some agencies have target groups that appeal to those who donate—children, young people and the elderly—while others do not. Some agencies deal with tangibles that appeal to those who donate—food, furniture, equipment and tools, etc.—while others deal with intangibles such as 'supporting' homeless people by looking out for them and being someone to talk to, by helping them work through decisions, by providing them with access to other services, or by assisting them through bureaucratic processes such as Centrelink, public housing applications, medical and hospital appointments.

7   If government wants to encourage a greater mix of funding in the homelessness sector, seed funding of social enterprise activity should be available from government or through government-philanthropy partnerships. Sustainability of the seeded activity is the key to this becoming an ongoing commitment from government.

8   As a social and economic experiment, social impact bonds should be pursued seriously, but without inflated expectations or illusions. Their long-term viability has yet to be established. Much work needs to be done before outcomes-based contracting can be feasibly implemented in homelessness services as performance-based payments are generally unsuited to services targeting people with complex needs, such those who are at risk of, or experiencing, homelessness. However, the experiment with social impact bonds does deserve to be followed through so that the applicability, viability and effectiveness as well as the long-term sustainability can be demonstrated. A more sophisticated and rigorous approach to the monitoring and measurement of outcomes will be necessary for social impact bonds to develop as a more extensive source of funds for homelessness services.

4.3   Policy development implications

Four policy implications are suggested by the case study evidence.

4.3.1 Early intervention and postvention strategies

Increased expenditure on Specialist Homeless Services does not of itself address the issue of reducing homelessness. Early intervention or 'turning off the tap' and postvention or 'breaking the cycle' were explicit in the White Paper, *The Road Home* (FaHCSIA 2008) and also evident in the various plans and reports produced by state and territory jurisdictions since then. However, these two strategic policy areas that would over time actually reduce homelessness have remained under-developed. The evidence is clear that there are additional cost savings associated with early intervention that reduces the flow of people into homelessness (MacKenzie, Flatau et.al. 2016) and postvention rapid rehousing or Housing First initiatives and supportive housing options for people with high and complex needs (Flatau, Wood et al. 2016).

4.3.2 Integrated cross-sectoral and cross-department funding packages

The creation of more diverse funding has been developed by agencies both large and small. However, the pattern is for a more diverse range of government funding for programs and initiatives that provide more rounded and integrated support for homeless clients. The complaint is that these benefits come with additional administrative and accountability costs. The implication for policy from this finding is that government funding could be packaged or pooled on the basis of cross-departmental funding of better integrated services for people experiencing homelessness with an efficiency dividend and the potential for greater effectiveness due to integration and improved case coordination.

4.3.3 Government and philanthropic/corporate co-funding projects

Agencies make resourceful use of philanthropic and corporate funding opportunities, but in total these comprise a small proportion of the recurrent services budget. Such funding is typically time-limited, constrained to special projects or innovation and not available for the recurrent funding of service provision. The requirement for sustainability as a criterion for funding from philanthropic foundations opens the way for joint funding of new initiatives or rigorous project evaluation. The Education First foyer evaluation is a good example. Rather than what was suggested in the White Paper (FaHCSIA 2008), a policy setting to be considered would be for governments (or agencies seeking government funding) to form partnerships with corporate and philanthropic donors for enhancement initiatives.

4.3.4 Rigorous experimental trials of social impact bonds

Several new forms of non-government funding were investigated such as social enterprises, and social impact bonds. Quite a few social enterprises have sprung up; some appear to be prospering while others struggle. Generally, they underwrite ancillary or additional support services. It is unlikely that many homelessness agencies are in a position to develop financially successful social enterprises, although many may be able to deliver positive social outcomes. Social impact bonds promote a business investment model for mobilising private capital investment. There is considerable interest in social impact bonds and a number of trials underway throughout the world. In this area, the policy advice would be to pursue this line of development with critical optimism, to work out what exactly is most appropriate for this kind of funding, what its limits are and how the outcomes measurement challenges can be addressed.

4.4 Concluding remarks

Considered as an isolated sector, the Specialist Homelessness Service System agencies appear to have made resourceful use of philanthropic grants, not for underwriting recurrent funding but as support for enhancements and additions or innovations in service provision that cannot be resourced under recurrent contracts. That situation seems unlikely to change because it is to a great extent determined by the priorities and agendas of the philanthropic sector. Co-funding by governments with the philanthropic sector has been suggested as a way of resourcing significant initiatives and major innovations, but these kinds of arrangements are unlikely to be widely deployable.

Many agencies have reached out to provide a more diverse set of services for clients sourcing funding from a range of government programs, state and federal and often from different departments. This may be beneficial for clients, but it comes at an overhead cost to the agency. Packaged cross-departmental and cross-sectoral funding is a policy direction that deserves to be explored, but it should not be underestimated how difficult this is.

At a macro-system level, a change in the funding mix to provide significant resources for early intervention and postvention would potentially, if developed as systemic reforms, begin to reduce homelessness and for this to be done effectively, mainstream services (e.g. education, health, mental services, legal services, corrections, youth services, disability services, aged care and child protection) would need to be brought into the overall strategy and some of their resources dedicated to addressing homelessness. An investment approach, cognisant of the overall cost-effectiveness equation, would need to be done to scale and systemically.

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Appendix 1: Participant information statement

The Funding and Delivery of Programs to Reduce Homelessness

Swinburne University of Technology, in conjunction with the University of Western Australia and the University of New South Wales, is conducting in-depth case studies on the funding and delivery of programs to reduce homelessness as part of an Inquiry by the Australian Housing and Urban Research Institute (AHURI) into the funding of homelessness services in Australia.

The AHURI Inquiry

The aim of the AHURI Inquiry is to gather and synthesise evidence on the mix of government and non-government funding of the specialist homelessness services as well of mainstream services and enterprises which support the homeless and, examine how the funding of services supporting people who are homeless influences service provision and outcomes for homeless people.

In addition to this series of case studies of homelessness services, the Inquiry has two other components: (i) a large scale *AHURI Australian Homelessness Funding and Delivery Survey* of services directly delivering support of homeless people and those at risk of homelessness, and (ii) case studies on the impact of mixed funding sources on homelessness support for Indigenous Australians. As a way of drawing on the experience and expertise of industry professionals, an Inquiry Panel has been established to advise and inform the implementation of the Inquiry. The Panel comprises the AHURI Inquiry Leadership Team, homelessness and mainstream service representatives, representatives from Commonwealth and state and territory policy-makers, and other external stakeholders. An Inquiry discussion paper is available on the AHURI website (www.ahuri.edu.au).

This research

The case studies seek to provide evidence on the diversity and complexity of how agencies deal with funding issues and the implications that the funding mix has on service delivery and outcomes for homeless persons. While the *AHURI Australian Homelessness Funding and Delivery Survey* will provide detailed financial information on funding sources and some qualitative response options, this case study will gather more detailed information on the impact of different types of funding on accountability and reporting, service delivery, governance, flexibility and service quality as well as the way in which the funding mix interacts with other service characteristics (workforce, location, service network) to determine the nature, structure and types of services offered. It will also examine the barriers and opportunities for agencies and enterprises to extend their funding mix.

Why have you been asked for an interview

Your agency has been selected purposively as an exemplar of a particular type/model of service provision. We will be interviewing/having discussions with a senior manager, someone responsible for managing finances, someone managing service delivery and possibly someone engaged in-fundraising. Your CEO has given us permission to interview you as a representative of your agency.

Your role

Your role is to participate in an unstructured interview/discussion on:

1 the existing government and non-government funding mix that currently supports service provision in your agency and the potential for this funding mix to change

2 how this funding mix has impacted on the nature, structure and types of services provided by your agency

3 the extent to which this funding mix supports different groups of homeless people within your agency

4 the relationship between this funding mix and how your agency structures its services

5 the relationship between this funding mix and outcomes for people who are at risk of, or are experiencing, homelessness.

If you have any questions

If you have any questions about this project, they can be directed to the following researchers at the Swinburne University of Technology:

Associate Professor David MacKenzie

PH (03) 9214 5462 or 0412 104 873

dmackenzie@swin.edu.au

Dr Sean McNelis

PH (03) 9214 8887

smcnelis@swin.edu.au

If you have any questions about the overall AHURI Inquiry, you can contact: Professor Paul Flatau, University of Western Australia, PH: (08) 6488 1366 or, email: paul.flatau@uwa.edu.au.

Concerns or complaints

This project has been approved by Swinburne's Human Research Ethics Committee (SUHREC) in line with the National Statement on Ethical Conduct in Human Research. If you have any concerns or complaints about the conduct of this project, you can contact: Research Ethics Officer, Swinburne Research (H68), Swinburne University of Technology, PO Box 218, Hawthorn VIC 3122, Tel (03) 9214 5218 or, email: resethics@swin.edu.au.

Please retain this information sheet as it provides the basis on which you sign the consent form.

THANK YOU FOR YOUR TIME AND ASSISTANCE

Appendix 2: Sample questions and prompts for semi-structured interviews

Preliminary

1 Could you tell me about the background to your organisation?

— What type of agency is it?

— What is its Vision and Mission?

— What are its primary target group(s)?

— What services does it provide?

— What are its areas of operation?

— How is it incorporated? How are its board members appointed? How is the organisation structured?

— What is its history? When did it begin?

Funding and sources (general)

2 Could you tell me about your organisation's income and funding sources over the past decade?

— What has been your annual revenue (over the past 10 years?

— Has there been a major change in your annual revenue over the past decade? Why?

— What have been its major sources of funding?

— How have these funding sources changed over the past decade?

— Which sources of funds are the most important to your organisation? Why?

3 What impact have differing funding sources and funding mixes and changes in these had:

— on your organisation, its structure, its management

— on the nature, structure and type of services provided by organisation to people who are at risk of or experiencing homelessness?

— on policy and service development?

— on outcomes for people who are at risk of or experiencing homelessness?

Current funding sources (detail)

Funding amounts

4 What amount of your revenue comes from each of the following sources. (For each source of funds, explore Questions 5, 6, 7 and 8 below):

— NAHA/NPAH funding

— other Commonwealth funds

— other state funds

— philanthropic funds

— corporate sponsorships

— sale of goods

— fee for services

— in-kind contributions, e.g. pro-bono, volunteers, free training

— bequests/gifts

— internal revenue.

Conditions of funding

5 What conditions are attached to this funding?

— Are the funds for a specific purpose? Who determined that purpose—you or the funding provider? What is that purpose? Are the funds linked to a particular program/service you provide?

— How did these funds come to your organisation? Did you apply for them or did another organisation seek you out?

— For what period did you receive these funds, (e.g. three years ending 30 June 2017)?

— Is this funding one-off for time-limited period or, do you require a further application to extend this funding or, will the funding be rolled-over (subject to review/renegotiation) or, is the funding ongoing?

— Is the level of funds dependant on the number of clients or services delivered?

— What are the reporting requirements?

Impact of funding mix on the agency

6 Which source of funds, if any, has impacted on your agency?

— Have you had to change:

your incorporation status?

your board of directors?

your management structure?

your auditing processes?

other internal processes?

— Have you had to introduce a particular auditing process (over and above the usual audit process)?

— Have you had to introducing new reporting processes?

— Have you had to introduce new KPIs?

— Have you established new units and employed new managers/staff to deliver new services or to expand current units/services?

— Have you developed new training programs for staff in order to deliver new services?

— Have you had to lay-off staff when funding ceased (or has alternative funding been found)?

Impact on services

7 Which sources of funds have impacted on the nature, structure and type of services provided by agency?

— Has this funding resulted in the organisation introducing new services or expanding current services to people who are at risk or experiencing homelessness?

— How have current services been adjusted to make way for a newly-funded service?

Impact on outcomes for people who are at risk of or experiencing homelessness

8 Which sources of funds have impacted on outcomes for people who are risk of or experiencing homelessness?

— What has been the impact on those experiencing homelessness?

— To what extent has the service prevented homelessness among those at risk?

— To what extent has it had an impact on cultural life and cultural practices?

Future

9 What potential is there for the funding mix in your organisation to change?

— What opportunities are there for extending the funding mix within your organisation?

— What barriers are there to extending the funding mix within your organisation?

— What are the current gaps in your range of services? In what ways are you looking to fill these gaps?

10 What indications are there that funding sources and funding mixes will impact on future service provision and outcomes?

11 What form, do you think, should the funding for homelessness services take?

— individualised funding or organisational funding?

— performance-based funding or output or capability funding?

12 What do you think about the integration of homelessness-specific and mainstream funding and service delivery?

— Do you think that this integration would improve client outcomes?

AHURI Research Centres

AHURI Research Centre—Curtin University

AHURI Research Centre—RMIT University

AHURI Research Centre—Swinburne University of Technology

AHURI Research Centre—The University of Adelaide

AHURI Research Centre—The University of New South Wales

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