



EXECUTIVE SUMMARY

Safe and sound? How funding mix affects homelessness support for Indigenous Australians

Inquiry into funding and delivery of programs to reduce homelessness

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AHURI Inquiry into funding and delivery of programs to reduce homelessness

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Inquiry panel members

Each AHURI Evidence-Based Policy Inquiry is supported by a panel of experts drawn from the research, policy and practice communities. Panel members for this Inquiry:

Marion Bennett	Mission Australia
Shane Hamilton	NSW Aboriginal Housing Office
Tony Keenan	Launch Housing
David Matthews	Housing and Community Services, ACT Government
Julie Oberin	Women's Services Network (WESNET)
Glenda Stevens	Homelessness Australia
Stewart Thomas	Department of Social Services

Executive summary

- *The impact of mixed funding sources on homelessness support for Indigenous Australians* forms one part of the research program in the AHURI Inquiry into the funding of homelessness services in Australia, which aims to understand the mix of government and non-government funding and how the funding of services that support people who are experiencing homelessness influences service provision and outcomes for those people.
 - Indigenous Australians are 14 times more likely to become homeless than other Australians, and their homelessness situations are likely to be more severe. This research examines the extent to which the needs of homeless and at-risk Indigenous Australians are being met.
 - The research used relevant findings from the AHURI Australian homelessness funding and delivery survey (Flatau, Zaretzky et al. 2016) plus five case-studies and three focus groups. Twenty-seven organisations with Indigenous Australians as a main client group participated in the survey.
 - Findings in this research show that financial support to organisations that provide services to Indigenous Australians experiencing homelessness is primarily provided by governments through the National Partnership Agreement on Homelessness (NPAH) which funds Specialist Homelessness Services (SHS), with 94 per cent of funds from governments and the next largest source of funds (only 2%) from rent revenue.
 - No federal or state program specifically targets supporting homeless Indigenous people or those at risk of experiencing homelessness. Services for homeless Indigenous people are overwhelmingly ‘mainstreamed’, with SHS funds going to Indigenous organisations but no targeted support or coordination with programs which are targeted at Indigenous Australians.
 - Funding uncertainty is a major issue, and the problems (including operational inefficiency, inability of organisations to innovate, and impacts on staff recruitment and retention) caused by this precarity are notably similar, regardless of the location or type of service, with larger organisations best placed to cope.
 - Homeless Indigenous Australians may not be receiving the kinds of support which are best suited to them, and current support may not be culturally appropriate.
 - More than half of the survey respondents anticipate that negative consequences such as excessive reporting would result from attempting to further diversify their funding sources, including seeking funds from non-NAHA/NPAH sources.
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Key findings

A review of the history and policy context of organisations that support Indigenous Australians who are homeless, or at risk of homelessness revealed, that until now comprehensive information regarding their funding sources has not been readily available. No federal or state program specifically targets supporting homeless Indigenous people or those at risk of experiencing homelessness. The research is centred around the implications of funding mix for these organisations. It did not seek to ascertain the effectiveness of the organisations in alleviating homelessness.

The 2011 Census reported that 26,743 (1 in 20) Indigenous people were experiencing homelessness, which is a rate 14 times higher than that among non-Indigenous people (1 in 284) (ABS 2012). Despite over-representation of Indigenous people within Australia's homeless population, services for homeless Indigenous people are overwhelmingly provided by mainstream organisations and funding arrangements are characterised by an absence of non-Indigenous specific funding and a lack of Indigenous policy coordination.

This project used data obtained by the AHURI Australian homelessness funding and delivery survey (Flatau, Zaretzky et al. 2016), one of the other three research projects within the Inquiry. Analysis of the relevant survey data provided by Flatau, Zaretzky et al. (2016) was combined with a case-study and focus group approach intended to deepen understanding of how the mix of funding sources affects service delivery to homeless Indigenous Australians. Twenty-seven organisations with Indigenous Australians as a main client group participated in the *AHURI Australian homelessness funding and delivery survey*. In addition to Aboriginal and Torres Strait Islander people, the organisations listed young single women, people exiting prison, and families as their client groups. The key types of assistance provided to people experiencing or at risk of homelessness were financial information, assistance to access mainstream social housing, material aid/brokerage, assistance and advice related to family and domestic violence, and referrals to other services. Only two agencies were able to meet more than 90 per cent of client demand, with most able to meet less than 75 per cent of client demand. Organisations exhibited some resistance to the idea of spending further staff and financial resources to pursue funding from non-government sources.

The research team identified five case studies which were investigated more thoroughly. Most were organisations that had taken part in the survey. The five case studies are of a cross-section of services provided by organisations from different areas:

- Larrakia Nation Aboriginal Corporation, Northern Territory
- Council for Aboriginal Alcohol Program Services, Northern Territory
- Ruth's Women's Shelter, Queensland
- Weave Youth and Community Services, New South Wales
- Quantum Support Services, Victoria.

Approximately 35 research participants from five states participated in our case-study research interviews and in three focus groups held in WA, NT and Queensland with representatives of service providers and government departments. These revealed that funding uncertainty is a major issue for services; funding from governments is at the mercy of the priorities those governments give to homelessness, and affected by the changing economies of jurisdictions. Just as importantly, we found that Indigenous Australians who are homeless or at risk of homelessness may not be receiving the kinds of support best suited to them, and that support may not be culturally appropriate.

The combination of the fieldwork data with the *AHURI Australian homelessness funding and delivery survey* (Flatau, Zaretzky et al. 2016) results allowed areas of common concern and

importance to emerge. Drawing together the findings from the survey and our fieldwork revealed a notable similarity in the problems caused by the precarity and uncertainty of funding, regardless of location or type of service. These were operational inefficiency, service gaps, inability of organisations to innovate, and impacts on staff recruitment and retention. All the surveyed organisations and the case-study organisations received most of their funding from Commonwealth, state and territory governments. Financial support to organisations that provide services to Indigenous Australians experiencing homelessness is primarily provided by governments through the National Partnership Agreement on Homelessness (NPAH) which funds Specialist Homelessness Services (SHS), with 94 per cent of funds from governments and the next largest source of funds (only 2%) from rent revenue.

This dependence on government funding sources makes organisations and services vulnerable to policy changes and funding cuts.

For services that receive funding through the National Affordable Housing Agreement (NAHA) and/or the National Partnership Agreement on Homelessness (NPAH), short-term funding arrangements creates operational inefficiencies and an inability to innovate. Of the 24 organisations who answered the relevant survey question, more than half anticipated that attempts to further diversify their funding sources and seek funds from non-National Affordable Housing Agreement (NAHA)/NPAH sources would have negative consequences. Eleven organisations cited excessive reporting to meet funding requirements as the most significant consequence.

The majority of organisations serving homeless clients assist both Indigenous and non-Indigenous Australians. Although some mainstream organisations provide Indigenous-specific services, Indigenous people often have to seek support from people and organisations whose cultural competency can vary.

Our key findings are, in summary:

- Comprehensive information has not been readily available up to now regarding the funding sources of organisations that support Indigenous Australians who are experiencing or at risk of homelessness.
- No federal or state/territory program specifically targets homeless Indigenous people or those at risk of experiencing homelessness.
- Within the major funding programs for homelessness—the NAHA and the NPAH—services for Indigenous people are overwhelmingly mainstreamed. Within housing programs however a range of Indigenous specific funds are available to increase the supply of housing in remote communities (NPARIH); to improve tenancy sustainment (NPARIH); for provision of short-term accommodation for travel related to access to education, employment, training and health (AHL); for health services, including primary care outreach to homeless Indigenous people (IAHP); and for a range of programs relating to homelessness, including mental health, criminal and juvenile justice, transport, substance use and family violence services (IAS). None of these programs have Indigenous homelessness as their primary focus, suggesting that Indigenous homelessness funding arrangements are characterised by fragmentation and an absence of policy coordination.
- Indigenous homelessness services receiving NPAH funding are subject to similar conditions as other homelessness services. These vary between states and territories but include the length of term (currently two years, in line with the current NPAH), regular financial reporting, a service agreement and performance reporting arrangements. Whether this is the best way for governments to fund Indigenous services is highly contested.
- The survey results confirm there is heavy dependence on Commonwealth and state government funding for organisations that provide services to Indigenous Australians who

are experiencing or at risk of homelessness. All 27 organisations whose main client group was homeless Indigenous people received the major portion of their funding from Commonwealth or state governments. Of these, only four organisations received funding from other sources—either philanthropic grants, community donations or fundraising activities—and the overall amounts from these sources were relatively small. In addition, three of these organisations received donations of goods and four of the organisations generated funds internally by charging their clients rent. It is clear that these organisations rely primarily upon Commonwealth and state government funds in order to provide their services. The total funding from all sources for these organisations was \$8.8 million, of which \$8.3 million was through Commonwealth and state funding sources. 94 per cent of funds came from governments (Flatau, Zaretsky et al. 2016).

- Homeless Indigenous Australians may not be receiving the kinds of support which are best suited to them, and current support may not be culturally appropriate.
- Services with a majority of homeless Indigenous clients are overwhelmingly run by mainstream organisations. Of the ICOs that do provide services for homeless Indigenous Australians, few receive funding through NPAH or NPARIH. It seems likely that the onerous application and reporting conditions act as a deterrent for smaller ICOs that might otherwise enter the space.

Policy development options

Implications of these findings include the following:

- Uncertainty of funding is having a major impact on service provision and client outcomes. Research respondents' key requirement is funding certainty. Funding arrangements need to last for at least three years to improve services' viability. Three-year funding arrangements as a minimum would greatly assist organisations to plan ahead and improve service provision and client outcomes.
- Organisations' dependency on government funding in order to provide their services is highly unlikely to change. The analysis of funding sources makes it clear that there is no Indigenous-specific funding for homelessness services; unlike housing services, homelessness support services are not able to access funding specifically intended for Indigenous Australians. Funding arrangements are fragmented and lack policy coordination, and the ICHO sector is currently in a vulnerable position due to funding restrictions. With adequate funding for homelessness services to support Indigenous Australians, their use of non-homelessness services in sectors such as health, welfare and justice is likely to reduce (Zaretsky and Flatau 2013; Zaretsky, Flatau et al. 2013).
- There is a need for governments to build the capacity of Indigenous organisations, as these organisations are particularly well placed to provide culturally appropriate support. Milligan and Martin et al. (2016) point out that despite national policy support for a vigorous Indigenous housing services sector, there have been few sustained efforts to support Indigenous organisations' achievements in this area. Instead, service mainstreaming has caused disruptions and uncertainties within the sector and dissatisfaction among Indigenous leaders (Milligan, Martin et al. 2016).
- Lack of information available to organisations during times of government policy change must be minimised in order for services to continue effectively during interim periods. Advance notice of policy change would assist organisations to plan effectively.
- Job security and training for staff are important to minimise staff turnover and in turn to maintain quality of service provision. Organisations' dependency on government funding in

order to provide services is highly unlikely to change. Policy decisions need to take account of this.

- Most of the organisations providing support to Indigenous Australians who are homeless are not Indigenous-specific. Further work is required in order to determine whether homeless Indigenous Australians are receiving the kinds of support which are best suited to them, and whether the support they receive is culturally appropriate. We need to understand the views of Indigenous clients of homelessness services and of Indigenous people who do not or cannot access services.

The study

The impact of mixed funding sources on homelessness support for Indigenous Australians forms one part of a broader AHURI 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 our 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.

This research project looks exclusively at the impact of funding sources on the outcomes of services for homeless Indigenous Australians. The Australian Institute of Health and Welfare (AIHW) reports that Indigenous Australians make up around 2.5 per cent of the overall Australian population, but around 9 per cent of Australia's homeless population (AIHW 2011). This over-representation is reflected in the use of homelessness support services. Seventeen per cent (21,400) of all homeless people who were clients of government-funded SHSs in 2008–09 were Indigenous Australians (AIHW 2011).

This research has addressed the question 'What is the level of government and non-government direct and indirect funding of services which support Indigenous homeless people and how does the funding mix influence service provision and outcomes?'

It also addressed the following complementary questions:

- What proportion of funding comes from Indigenous-specific funding and non-Indigenous sources of funding?
- Are there other innovative sources of funding being tapped into for Indigenous homelessness in Australia or internationally?
- What impact do changes in funding sources have on service and delivery and outcomes for Indigenous people?

The case-study services were chosen to represent a range of organisation types and service provision in very different locations. Some of the organisations are mainstream, some are Indigenous-specific, some are homelessness-specific; some deal with particular types of clients, such as young people, or people experiencing domestic and family violence; some are very small and some are part of Australia-wide organisations. All provide services for homeless people and have mainly Indigenous Australian clients. These wide-ranging examples are intended to provide a breadth of information on the impact of mixed funding sources on homelessness support for Indigenous Australians.

Focus groups of key stakeholders held in Queensland, Western Australia, the Northern Territory and Victoria drew together key informants from government departments, homelessness organisations and ICOs to discuss the impact of funding mix on both service providers and homeless Indigenous Australians. Information from these focus groups supplements our case study findings.

Our research was designed to facilitate engagement between the research and policy communities on how the mix of government and non-government direct and indirect funding of homelessness services for Indigenous Australians affects service provision. The particular contribution of this research to the broader Inquiry is to provide a lens for viewing the extent to which the needs of homeless and at-risk Indigenous Australians are being met. Our methodological approach integrates evidence-building with opportunities for increasing policy development knowledge for policy-makers.

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Using high quality, independent evidence and through active, managed engagement, AHURI works to inform the policies and practices of governments and the housing and urban development industries, and stimulate debate in the broader Australian community.

AHURI undertakes evidence-based policy development on a range of priority policy topics that are of interest to our audience groups, including housing and labour markets, urban growth and renewal, planning and infrastructure development, housing supply and affordability, homelessness, economic productivity, and social cohesion and wellbeing.

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