



Comment on

**Review of Current Homelessness Costing
Structure: Proposing Alternative Costing
Model Options December 2012 Consultation
Paper**

February 2013

About ACTCOSS

ACTCOSS acknowledges Canberra has been built on the land of the Ngunnawal people. We pay respects to their Elders and recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples. We celebrate Aboriginal and Torres Strait Islander cultures and ongoing contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the Territory.

ACTCOSS is a member of the nationwide COSS network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS' vision is to live in a fair and equitable community that respects and values diversity and actively encourages collaborations that promote justice, equity and social inclusion.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the ACT Government - Community Services Directorate.

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Introduction

ACTCOSS welcomes the opportunity to provide feedback on the Review of Current Homelessness Costing Structure: Proposing Alternative Costing Model Options Discussion Paper (the 'Paper'). ACTCOSS held a number of consultations with affected service providers and seeks to outline their main thoughts and concerns raised in this submission.

The Community Services Directorate (CSD) will appreciate holding a consultation over the Christmas-New Year period is a tricky task, as organisations prefer to be consulted during time of greater capacity. Furthermore, the lack of a face-to-face briefing and information session from Housing ACT on the identified costing model options for service providers has led to some organisations questioning the validity of the consultation process undertaken by the Directorate.

There are many changes taking place in the Housing and Homelessness arena which organisations are bracing themselves to meet. A subcommittee of the Joint Pathways group recently developed a paper on the restructuring of the Homelessness Sector in the ACT. ACTCOSS understands this paper is now sitting with the ACT Government and is due back to the sector for consultation. While it is understandable time pressures require decisions to be made on the costing model of the Homelessness system, it would have been beneficial to first decide how to restructure the system before deciding how to fund it.

The sector is aware of a loss of Commonwealth funding in the amount of \$3.7million to date with a further expected decrease of \$5.9million in 2014-15. With decreased funding there will also be a loss of service provision, which is disheartening for organisations who have worked so hard to lessen the effects of homelessness on Canberra's population. It should be noted the organisations ACTCOSS consulted clearly stated they did not want an outcome of reduced service provision, which is telling as most of ACT's Homelessness services providers deliver above their contracted outputs. Furthermore, providers do not want the chosen model to jeopardise the quality of service provision negatively in any way.

One size does not fit all

A recurring theme throughout consultations with service providers was that no single model proposed in the Paper will be ideal for every homelessness agency. ACTCOSS appreciates the Directorate's goal to ensure consistency across the sector, however, it is vital any restructure and/or model chosen acknowledges the specialist service providers and does not disadvantage particular groups, for example, smaller specialist organisations and agencies who may not 'fit' into one proposed model.

Option 3: Package-Costing Model

Consensus has not been reached across the sector about one model in particular being the ultimate option. Organisations recognised the world of service provision appears to be shifting towards individual 'packages' such as those in Model 3; often compared to those in the upcoming National Disability Insurance Scheme. It was also acknowledged some services have been operating in this way for many years (mostly on a case by case basis), however the ACT Homelessness sector as a whole is not ready for this type of costing model.

Options 1 & 2: Service-Costing & Unit-Costing Models

Conversations led back to the notion some sort of mixture between Option 1: the Service-Costing Model, and Option 2: the Unit-Costing Model would be preferable. There was discussion of Unit-Costing as supplementary to Service-Costing, acknowledging it is difficult to truly calculate cost per unit. While the Service-Costing Model has been acknowledged by the sector to be the most similar to the current funding structure, there are many concerns about implementing this model universally across the sector. Questions were raised about how this model considers the range of service types such as outreach, crisis and transitional, along with how it accommodates the administration component of service delivery. Questions were also raised about how costings in Model 2 would be considered for brokerage, training and support of staff.

The Youth Sector

As the Paper notes, the Service-Costing Model is the model which was rolled out across the Youth Housing and Homelessness Sector last year. Concerns about implementing this model before carrying out a comprehensive review of how it has affected the Youth Sector are paramount. Additionally, consultation with youth service providers has highlighted a number of perceived shortcomings in the Service-Costing model, including unsubstantial set-up costs and the loss of a specialist gendered and culturally sensitive service. Before implementing a Service-Costing Model across the Homelessness Sector, it would be most beneficial to review its roll out across the Youth Sector. This is vital not only as an evaluation mechanism, but also as a way to ensure the experiences of the Youth Sector are heard and taken into account.

ACTCOSS also heard from youth service providers that for Children, Youth and Family Services (CYFS) measurable outcomes have not been developed to date. Expected outcomes of services should be clear, both for the CYFS and the broader Homelessness Sector.

Another lesson which can be learnt from the restructure of the Youth Sector is the importance of ensuring people accessing services identified as being 'low needs' are still looked after. Anecdotally, ACTCOSS has learnt the new structure of CYFS has allowed 'low needs' service users to fall through the gaps in service provision. As a new structure would not want to disadvantage any

service users, it is vital there are provisions for responding to all levels of need in the sector.

Criteria and Assessment

While the Paper highlights the Service-Costing Model as the most appropriate for the sector at this point in time, the obvious preference for the model has concerned service providers that the decision to use Option 1 has already been made. Additionally, the way in which each model was evaluated leaves room for improvement. The flaws in Models 2 and 3 were discussed in the Paper, while Model 1's flaws were not noted. The criteria which were designed to assess the models were not weighted, which providers felt was critical in order to properly assess each model against the next. Furthermore, the claims laid out in the Paper with regard to the Service-Costing Model have not been substantiated with empirical evidence and are based on assumptions, which further alarms service providers as to the actual appropriateness of such a model.

True Costs

Some of the greatest concerns raised were the figures listed in the Appendices as examples are not reflective of the true cost of service. ACTCOSS is aware the figures were solely for example; however the low nature of the sample costs raised red flags for the sector and was an important topic of conversation. The need for funding which reflects actual costs cannot be overstated.

Flexibility

Concerns with the first model highlight the amount of discretion organisations will have with the funds they are given. Should the Service-Costing Model be chosen, it is important the model not be too prescriptive and allows flexibility for service providers to be able to best respond to need.

General comments

Further information

In order to properly determine which model is best suited for the ACT, service providers need more information on the details of the proposed models. For example, organisations would be hesitant to advocate for the Service-Costing Model before seeing real costs detailed in the spreadsheet as well as information on how infrastructure costs would be met by each model.

Organisations are also keen to know how each model will impact on the service system, as the ability to continue to provide much-needed services to vulnerable community members is of the utmost importance.

The need for review

Regardless of which model is rolled out in the sector, it is important a review and timeline is put in place to evaluate how organisations are being impacted. The review should take place after enough time has lapsed to be able to properly identify how the implementation is progressing, but not too far in the future so as to have detrimental consequences on the sector should the model not be fairing well. Consulting with the sector during this review is paramount. Hearing organisations' view on how the model has been implemented is vital for evaluation and working towards a fairer and more sustainable sector.

Gendered services

Consultation with the ACT Women's Services Network posited grave concerns for the future of gendered housing and homelessness services in Canberra. Losing Lowana in the Youth Sector restructure remains an obvious gap and concern to service providers. While shifting and reorganising has allowed the number of beds provided to remain the same, the focus and expertise on working with young women, particularly young Aboriginal and Torres Strait Islander women has been lost.

Additionally, women escaping domestic violence make up a large portion of the ACT homelessness population and require a great deal of support from the homelessness system. Gendered services provide specialist support to vulnerable Canberrans which cannot be replicated through larger generalist organisations. It is important the expertise and specialisation in the women's sector is not lost so as to continue to provide the best service responses for women seeking assistance.

Small organisations

The loss of funding to the Homelessness Sector as well as the implementation of a new costing model have many small organisations concerned for their future viability. Discussions in the sector have led small organisations to believe amalgamations with larger organisations will be necessary for sustainability. As discussed in 'Gendered services', a loss of small specialist organisations creates a loss of specialist support. It is crucial intentions for amalgamations from the Directorate are transparent and discussed with organisations openly, noting collaboration across the sector does not always create efficiencies.

ACT Government communication

Homelessness service providers provide more than accommodation to people in need. They provide mental health support, alcohol and other drug support, domestic violence support, and a wide range of other services. Funding for homelessness services therefore should come from a range of Government Directorates. In light of this, is it vital the Government work across sectors in the interest of both community organisations and their consumers.

Experts in the field

Finally, it should be noted homelessness service providers acknowledge they are not experts in the resources field. While the sector has done its best to understand and put forward their views on the costing models, their expertise lies within the provision of services to vulnerable Canberrans in need rather than the details of resourcing model options to the sector as a whole.

Future collaboration

ACTCOSS looks forward to continuing discussions with CSD and ACT homelessness service providers on future direction of the sector. We welcome further consultation and engagement with both sectors, particularly in relation to potential transition and implementation processes.