



Australian Government  
Aboriginal Hostels Limited



**AHL**  
ACCOMMODATION

# Corporate Plan

## 2020–24

# Introduction

The Directors of Aboriginal Hostels Limited (AHL), as the accountable authority, present the AHL Corporate Plan for 2020–2021, which covers the period 2020–2024, as required under s 95(1) of the *Public Governance, Performance and Accountability Act 2013*.

AHL provides accommodation through a national network of accommodation facilities for Aboriginal and Torres Strait Islander people who are travelling, relocating or who must live away from home to access education, health care or employment opportunities.

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

This Corporate Plan sets out a series of core operational and strategic priorities which AHL will continue to pursue in addressing business efficiency, financial sustainability, improved service delivery, sustainable asset management, accountability and strong corporate governance.

In 2020–21 AHL will focus on stabilising the company's financial position in light of a challenging operating environment, as well as strengthening its ability to meet its core mandate and maintaining close oversight and management of identified risks.

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

# Contents

|                                 |    |                                                      |    |
|---------------------------------|----|------------------------------------------------------|----|
| Our Vision                      | 2  | Business Priorities in 2020–21                       | 13 |
| Our purpose                     | 3  | Performance Framework                                | 14 |
| Our Values                      | 3  | Business Objectives                                  | 14 |
| Accommodation Services          | 4  | Activities & Performance Measures 2020–21 to 2023–24 | 14 |
| AHL's hostel network            | 5  | Risk Management                                      | 16 |
| Operating Environment           | 6  | Enterprise Risk Management                           | 16 |
| Accommodation supply and demand | 6  | Monitoring and review                                | 16 |
| Outlook for 2020–21             | 7  | AHL Enterprise Risk Framework                        | 17 |
| Strategic Focus                 | 8  | Enterprise Risk Priorities 2020–24                   | 18 |
| Strategic priorities in 2020–21 | 9  | Relevant Legislation                                 | 20 |
| Partnerships and Engagement     | 10 |                                                      |    |
| Key partnerships in 2020–2024   | 11 |                                                      |    |
| Capabilities                    | 12 |                                                      |    |
| Facilities                      | 12 |                                                      |    |
| Financials                      | 12 |                                                      |    |
| People                          | 12 |                                                      |    |
| Customer service                | 12 |                                                      |    |
| Corporate Governance            | 13 |                                                      |    |



---

## Our Vision

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



---

## Our purpose

AHL's purpose is to provide safe, comfortable, culturally appropriate and affordable short-term accommodation for Indigenous Australians who need to be away from home to access medical services, education and economic opportunities.

Across its network of hostels, AHL staff provide accommodation and meals in an environment which supports the cultural well-being of residents, including through strong relationships with local Indigenous service providers and referral agencies.

To ensure quality of service and the ability to offer affordable accommodation on a sustainable basis, AHL will pursue the following broad strategies:

- Quality service delivery
- Business efficiency
- Sustainable asset management.

---

## Our Values

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

### Respect for

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

### Accountability and commitment to

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

### Dignity and opportunity by

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

These values are embedded throughout all levels of the organisation as part of AHL's Cultural Statement, designed to foster a sense of pride and commitment in delivering services for Indigenous Australians:

**P**rofessional  
**R**espectful  
**O**pen  
**U**nderstanding  
**D**edicated

---

# Accommodation Services

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

Each year, AHL provides a place to stay for more than 20,000 Aboriginal and Torres Strait Islander men, women and children.

Residents are charged a tariff that is affordable for recipients of Australian Government income support. Through an annual appropriation, the Australian Government provides funds to cover the gap between tariff income and the cost of providing hostel services.

AHL is one of the largest government providers of employment and training for Aboriginal and Torres Strait Islander people.

**AHL's hostel network is segmented into three service categories:**

**1. Multipurpose** *(21 facilities, 1,152 beds, 64 per cent of resident capacity)*

Accommodation in towns and cities for individuals and families awaiting housing, seeking employment or meeting general business and other commitments away from their homes and communities.

Some residents stay until they are able to access long-term accommodation.

**2. Secondary and tertiary education**

*(12 facilities, 399 beds, 19 per cent of capacity)*

A safe, comfortable environment for secondary students while they attend high school to pursue their educational goals, including the year 12 certificate and their potential transition to higher education and training.

ABSTUDY assistance is available to help with the cost of secondary education hostel accommodation.

AHL also provides accommodation for Indigenous students who undertake higher education and training — opening doors to degrees, diplomas and employment opportunities.

**3. Health and medical** *(12 facilities, 308 beds, 17 per cent of capacity)*

Hostels catering specifically for Indigenous people who need to be away from home to access medical treatment, including renal dialysis and antenatal or postnatal care for mothers and babies.

Financial assistance and help with transport are available through state and territory patient-assisted travel schemes.

## AHL's hostel network



# Operating Environment

## AHL is an Indigenous Portfolio Body within the Department of the Prime Minister and Cabinet portfolio.

AHL is a Commonwealth Company under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

### The Australian Government's priorities in Indigenous affairs are:

- getting children to school
- getting adults into work
- building safe communities

By creating access to services through the provision of accommodation, AHL supports the Government's effort to overcome Aboriginal and Torres Strait Islander disadvantage.

AHL's outcome under the Portfolio Budget Statements for Indigenous Affairs is measured in occupancy rate.

### PBS outcome: Occupancy as a percentage of bed nights available

| 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|---------|---------|---------|---------|
| 70%     | 70%     | 70%     | 70%     |

## Accommodation supply and demand

In 2020, demand for hostel accommodation was heavily impacted by the COVID-19 pandemic, particularly as many Aboriginal and Torres Strait Islander people returned to their home communities, and AHL restricted access for new residents and reduced its bed footprint as part of social distancing measures.

At the opening of the 2020–21 financial year, there are signs of recovery which AHL is keen to capitalise on as part of moves to lift network occupancy during the period of this Corporate Plan.

Notwithstanding these impacts, demand for short-term and transitional accommodation is expected to remain strong in the absence of transitional housing options in a number of jurisdictions.

The high burden of chronic disease and disability experienced by Indigenous adult populations continues to drive demand for access to health services, in particular hospital care. The greatest unmet demand presently and in the future is likely to be for health/medical accommodation services. At present this demand is increasingly being met through AHL's multipurpose facilities.

AHL's secondary education accommodation continues to struggle to attract students. This is in part due to more competitive service offerings being made by alternative boarding providers. During the period AHL will strengthen its engagement initiatives, particularly in remote feeder communities, to increase attendance and attainment across its nine secondary education hostels.

Unlike AHL's other accommodation segments, there is no evidence of market failure in the tertiary education space, with other providers satisfying demand for Indigenous tertiary student accommodation.



---

## Outlook for 2020–21

**As a result of significant increases in fixed costs and the impact of revenue shortfalls, AHL will seek to restrict spending in a number of areas in 2020–21 to reduce deficits going forward.**

At the number of hostels currently operated, AHL's financial viability going forward is less certain and a return to government may be required to canvass options going forward.

Options are likely to include a range of measures, including identifying further efficiencies and savings, more stringent cost controls, increasing income through tariff, workforce efficiencies and potential rationalising of underperforming or inefficient parts of the hostel network.

Of themselves, these measures are unlikely to repair the underlying viability issues which have emerged in AHL's business model — however, they will substantially stabilise AHL's operating result in 2020–21, and will inform necessary discussions with government — including with regard to a potential rebasing of AHL's annual appropriation in out-years.

# Strategic Focus

AHL's core four-year business priorities and strategic roadmap will remain in place, augmented by a particular focus in 2020–21 on development of options to strengthen its business model and secure the company's longer term financial viability.

AHL will continue to strengthen strategic relationships and realign its service footprint to better cater to accommodation demand.

In line with AHL's mandate, this strategic agenda is based on the following underlying principles:

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

## Strategic priorities in 2020–21

| Sustainability                                                                                                                                                                                                                                                                                                                                                                                                          | Purpose                                                                                                                                                                                                                                                      | Organisational culture                                                                                                                                                                                                  | Engagement                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Continue to own and/or manage properties to standard and within budget</li> <li>• Ongoing review and realignment of current hostel portfolio to meet contemporary needs and expectations</li> <li>• Respond to new business opportunities with evidence-based decision-making</li> <li>• Respond to the growth in demand for medical and transitional accommodation</li> </ul> | <ul style="list-style-type: none"> <li>• Continuous improvement of the current short-term accommodation service offering</li> <li>• Engage with and consult residents and stakeholders regarding residents' needs in each hostel service category</li> </ul> | <ul style="list-style-type: none"> <li>• Foster a professional, outcomes-focused corporate culture</li> <li>• Provide recognition and career pathways for staff</li> <li>• Maintain/increase staff retention</li> </ul> | <ul style="list-style-type: none"> <li>• Strengthen relationships with key stakeholders to improve resident outcomes, maintain business viability and ensure services effectively meet demand</li> <li>• Examine AHL's longer term market identity and presence</li> </ul> |

# Partnerships and Engagement

**AHL will continue to focus on partnerships and engagement with key stakeholders to support and contribute to the organisation's business objectives.**

AHL is increasingly working with partners and potential partners to develop different models of accommodation suited to the needs of particular client groups. AHL is committed to strengthening these partnerships and engaging stakeholders to ensure adequate provision of services to support our clients during their stay and to ensure linkages with the services they need.

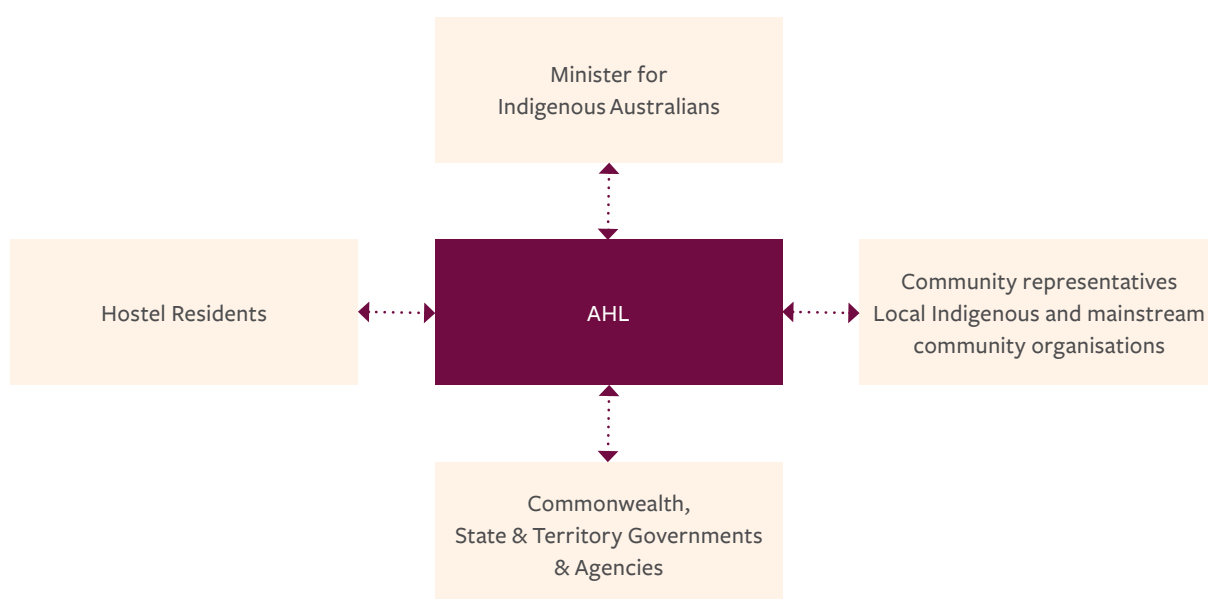
Board members, as well as AHL's Executive, Business Managers and hostel staff actively seek to engage with stakeholders to develop and strengthen connections which can create opportunities for better service alignment.

This includes through collaboration across agencies at the Commonwealth and state/territory levels, as well as with service providers and organisations at the local level.

In 2020–21, engagement initiatives will focus on supporting key business priorities, including lifting occupancy across the network, increasing secondary student participation, and leveraging idle capacity to meet local accommodation needs.

AHL will also seek to work closely with the National Indigenous Australians Agency and the Minister for Indigenous Australians in 2020–21 to redefine its mandate and ensure the company continues to deliver on its core purpose in providing accommodation services.

AHL's stakeholder engagement approaches are tailored according to the purpose and intent of particular initiatives, involving tiered partnerships at the national, state/territory and local levels:





## Key partnerships in 2020–2021

### Responding to accommodation needs in Northern Territory

#### Purpose

Deliver new services to alleviate Indigenous accommodation pressures in Darwin, NT

#### Engagement Approach

Prepaid accommodation agreements with NT Government, targeted service offer with referral partners.

#### Stakeholders

- Northern Territory Department of Local Government, Housing and Community Development
- Darwin City Council
- Larrakia Nation
- Danila Dilba Health Service
- Local housing and allied support organisations

### Improving performance in secondary education hostels

#### Purpose

Increase occupancy and student retention in secondary education hostels

#### Engagement Approach

Develop local and regional plans to engage key stakeholders

#### Stakeholders

- School principals
- Student alumni and families
- State and territory education departments
- Transition Support Unit (Northern Territory)
- Indigenous youth cultural, sporting & recreation organisations
- Indigenous education support programs and providers

### Barkly Regional Deal

#### Purpose

Deliver services to alleviate Indigenous accommodation pressures in Tennant Creek, NT

#### Engagement Approach

Alignment with Barkly Regional Deal objectives, targeted service offer with referral partners.

#### Stakeholders

- Barkly Regional Council
- Northern Territory Government
- Department of Infrastructure, Regional Development and Cities
- Department of Prime Minister and Cabinet
- Local non-government organisations and service providers

### Addressing medical residents' nutritional and amenity needs

#### Purpose

Implement phase 2 of a demonstration project in Darwin to deliver tailored service within a service to longer term medical residents in multipurpose facilities.

#### Engagement Approach

Partnership with health sector expertise

#### Stakeholders

- Menzies Institute
- National Aboriginal Community Controlled Health Organisation
- Renal dietitians' network
- Departments of Health (Commonwealth and Northern Territory)
- Medical & renal residents
- Danila Dilba Health Service
- Royal Darwin Hospital

---

# Capabilities

## Facilities

Providing 1,700 beds each night (including three meals daily) across a network of 45 medical, education and multipurpose accommodation facilities Australia-wide.

AHL has seen growing pressure on its facilities to cater to more complex accommodation needs. The company will seek to partner with relevant expertise to advise on how it can modify current facilities to meet changing amenity requirements, particularly given the growing use of multipurpose hostels by medical and renal patients.

## Financials

- \$120 million property portfolio
- \$36.6 million appropriation in 2020–21
- \$21.1 million self-generated revenue (tariff + contracted services)
- \$31.8 million payroll

AHL's fixed annual appropriation against rising costs places significant pressures on the organisation going forward.

Tight financial controls and fiscal restraint will remain in place during the period of this Corporate Plan.

## People

- A workforce of more than 350 (predominately frontline) staff working across AHL's hostel network
- 45 facilities across six states and territories, employing local staff
- Highest proportion of Indigenous staff in the Australian Public Service

AHL's workforce is integral to effective service delivery. Workforce stability and capability, including through suitably trained staff, remain critical to AHL achieving its objectives.

To maximise the ability of staff to contribute to organisational objectives, AHL will seek to:

- employ Indigenous Australians at all levels
- retain and develop its workforce
- attract staff with the right mix of skills who apply its values.

## Customer service

AHL's Customer Service Charter is an expression of the organisation's commitment to its customers to strengthen its focus on frontline services.

The Charter commits AHL to consistently deliver well-maintained hostels with clean and comfortable rooms, nutritious meals and welcoming, professional-standard customer service.

The Charter is supported by pro-active customer feedback and complaint management mechanisms.

---

## Corporate Governance

AHL operates in a complex regulatory and accountability environment. In carrying out its governance role, the Board must ensure that AHL complies with its contractual, statutory and other legal obligations.

AHL's Governance Charter calls for on-going professional development of Directors, particularly given the complex and evolving nature of corporate governance and the changing environment in which AHL operates.

To ensure best practice corporate governance, the Board conducts an annual review of its performance and effectiveness, including:

- governance structure, roles and relationships
- performance of Board functions
- Board decision-making processes
- Board skills, culture and development.

Directors receive relevant information and briefings on their appointment to assist them to meet their Board and committee responsibilities.

---

## Business Priorities in 2020–21

In delivering on its stated purpose, AHL undertakes activities under three key programs:

1. Service delivery
2. Corporate Services
3. Asset Management

AHL's Performance Framework is based on objectives under each of the above programs:

- i. Quality accommodation services
- ii. Business Efficiency
- iii. Sustainable asset management

These objectives are in turn embedded in Business Plans as project-based activity.

# Performance Framework

| Business Objectives                       |                                      |                                               |                                                    |                                                  |
|-------------------------------------------|--------------------------------------|-----------------------------------------------|----------------------------------------------------|--------------------------------------------------|
| Service Delivery                          |                                      | Corporate Services                            |                                                    | Asset management                                 |
| Clean, neat, welcoming hostel environment | Right people doing work right        | Focus of operations on areas of greatest need | Efficient, fit-for-purpose business infrastructure | Assets maintained to standard                    |
| Quality, appropriate meal service         | Responsiveness to guests' needs      | Operation within available resources          | Streamlined, evidence-based business planning      | Effective and efficient asset management systems |
| Greater focus on secondary education      | Professionalised hospitality service | Focus on safety and quality assurance         | Proactive risk management                          | All hostels fit for purpose                      |

| Activities & Performance Measures 2020–21 to 2023–24                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Quality accommodation services                                                                                                                                                                                                                                                                                                                                                                                                       | Business efficiency                                                                                                                                                                                                                                                                                                                                        | Sustainable asset management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>Activity:</b> Targeted occupancy strategies</p> <p><b>Objective:</b> Increase utilisation and tariff revenue</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>Minimum 70% occupancy rate</li> <li>Number of residents accommodated (measured as unique occasions of stay)</li> </ul>                                                                                                                         | <p><b>Activity:</b> Financial planning &amp; controls</p> <p><b>Objective:</b> Identify savings &amp; reduce projected deficits</p> <p><b>Measure:</b></p> <ul style="list-style-type: none"> <li>Break-even or better operating result</li> </ul>                                                                                                         | <p><b>Activity:</b> Strategic Asset Management Plans</p> <p><b>Objective:</b> Maintain hostel assets to uniform building standards</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>Implementation of site-based asset management plans</li> <li>Maintain industry benchmark repair &amp; maintenance investment in hostel assets (at least 2% of replacement value)</li> <li>Compliance with building and safety codes, all hostels fit for occupation</li> <li>Planned vs unplanned maintenance ratio shifted from 70/30 to 80/20</li> </ul> |
| <p><b>Activity:</b> Secondary education strategy</p> <p><b>Objective:</b> Increase student participation &amp; education outcomes</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>Increase in secondary student enrolments (measured as occupancy rate)</li> <li>Increase retention rates across the school year</li> <li>Number of children staying in multipurpose facilities (and attending school)</li> </ul> | <p><b>Activity:</b> Workforce Safety Strategy</p> <p><b>Objective:</b> Improved Work Health &amp; Safety indicators</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>Reduce staff injury incidents</li> <li>Reduce Comcare reportable incidents</li> <li>Reduce/maintain Comcare premium in line with APS comparator agencies</li> </ul> | <p><b>Activity:</b> Hostel Accommodation Standards</p> <p><b>Objective:</b> Provide consistent standards of hostel accommodation to residents</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>Development and implementation of uniform hostel accommodation standards by accommodation category</li> </ul>                                                                                                                                                                                                                                   |



## Activities & Performance Measures 2020–21 to 2023–24

| Quality accommodation services                                                                                                                                                                                                                                                                                                                                                                                   | Business efficiency                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Activity:</b> Customer satisfaction survey</p> <p><b>Objective:</b> Benchmark quality of service levels with residents</p> <p><b>Measure:</b></p> <ul style="list-style-type: none"> <li>• Minimum 80% resident satisfaction rating</li> </ul>                                                                                                                                                             | <p><b>Activity:</b> Engagement &amp; partnership initiatives</p> <p><b>Objective:</b> Increase tariff income and utilisation</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>• Maintain/expand operating agreements in areas of high accommodation need, including Darwin and Tennant Creek, NT</li> </ul>                                                                                            |
| <p><b>Activity:</b> QA audit program</p> <p><b>Objective:</b> Ensure regulatory compliance and safe, comfortable facilities</p> <p><b>Measure:</b></p> <ul style="list-style-type: none"> <li>• Continued improvement in accommodation amenity, food and safety ratings</li> </ul>                                                                                                                               | <p><b>Activity:</b> Enterprise Risk Management</p> <p><b>Objective:</b> Ensure compliance with regulatory requirements &amp; management of identified risks within tolerances</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>• Safety and compliance standards are met</li> <li>• Regular ERM review and reporting to Board &amp; Executive (through Audit, Risk &amp; Finance Committee)</li> </ul> |
| <p><b>Activity:</b> Workforce strategy</p> <p><b>Objective:</b> Maximise workforce engagement &amp; service focus</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>• Meet target of 60% Indigenous employment</li> <li>• Unscheduled leave in line with APS average</li> <li>• Increased staff retention rates</li> <li>• APS staff census results in line with comparator agencies</li> </ul> | <p><b>Activity:</b> ICT Strategy</p> <p><b>Objective:</b> Modernise and strengthen the organisation's IT operating environment</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>• Meet ICT security standards</li> <li>• Ensure ICT business continuity</li> <li>• Achieve savings in backend operations</li> <li>• Streamlined front-end user operability</li> </ul>                                  |

---

# Risk Management

## AHL manages risk by ensuring compatibility between its business strategy, business plans and Enterprise Risk Management (ERM) framework.

The Audit Risk and Finance Committee assists the Board in discharging its responsibilities under the *Public Governance, Performance and Accountability Act 2013*. The Committee's role is to provide independent assurance to the Board on the following functions:

- Risk oversight and management
- System of internal control & internal audit
- Financial planning
- Financial reporting
- Delegations
- Business continuity management
- Ethical & lawful behaviour
- Performance reporting
- Legislative and policy compliance.

Committee membership is drawn from the AHL Board, and by engaging appropriate subject matter experts to ensure the Committee discharges its responsibilities effectively. The ANAO has a standing invitation to attend all Audit Risk & Finance Committee meetings.

## Enterprise Risk Management

ERM is a structured, consistent and continuous process used across AHL at the strategic and operational levels. It is used for identifying, assessing, responding to and reporting on opportunities and threats that affect the achievement of AHL's business objectives.

AHL's risk appetite is articulated through its risk appetite statement, its descriptions of likelihood and consequence, and its matrix for rating risk and its risk register.

Risk tolerance is determined in reference to the company's Risk Management Plan. The plan sets out the process for monitoring compliance with risk tolerance,

and any breaches, and contains instructions to the Board, management and staff for the implementation of consistent risk management practices throughout AHL.

The risk management process is cyclical and is linked to AHL's planning cycle.

Roles and responsibilities relating to risk management within AHL are as follows:

- **AHL Board** — overall responsibility for risk management
- **Audit, Risk and Finance Committee** — quarterly review of the enterprise risk register and independent assurance for the Board on risk management
- **CEO** — compliance with AHL's Risk Management Policy and Risk Management Plan
- **CFO/Company Secretary** — compliance with ERM framework and process
- **All AHL staff** — active management of risk in accordance with Risk Management Policy and Risk Management Plan.

## Monitoring and review

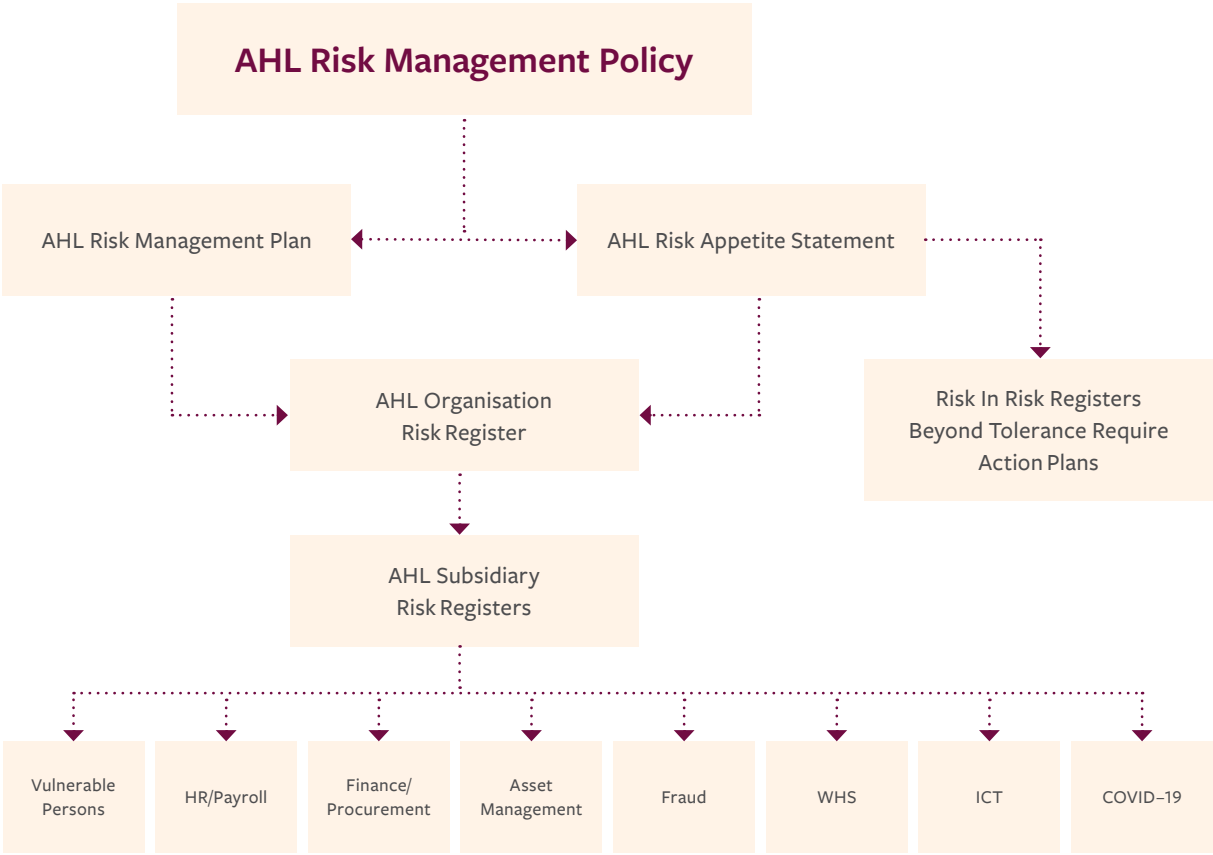
AHL's ERM framework will be reviewed annually as part of the process of continuous improvement set out in AS/NZS ISO 31000.

The Board is regularly appraised of significant risk mitigation activities. It also receives assurance that risk management plans are in place for each key risk, and that satisfactory risk mitigation is being undertaken for operational and functional risks.

The key enterprise risks being managed during the period of this plan are:

- **Financial sustainability**
- **Duty of care (child protection and working with vulnerable people)**
- **Utilisation of AHL's secondary education hostel segment**
- **COVID-19**

AHL Enterprise Risk Framework



## Enterprise Risk Priorities 2020–21

| ERM Component                           | Risk                                                                                                                                                                                                                                                                                       | Mitigation                                                                                                                                                                                                                                                    | Effects on AHL (if unmitigated)                                                                                                                                                                                                                                             |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Duty of Care                            |                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                             |
| COVID-19 Pandemic                       | <ul style="list-style-type: none"> <li>Inability to prevent or effectively manage pandemic prevention or outbreak</li> </ul>                                                                                                                                                               | <ul style="list-style-type: none"> <li>Comprehensive COVID-19 Management Plan</li> </ul>                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Adverse impact on residents and staff</li> <li>Adverse financial impacts (occupancy &amp; tariff)</li> <li>Reputation impacts</li> </ul>                                                                                             |
| Protecting Children & Vulnerable People | <ul style="list-style-type: none"> <li>Harm to children &amp; vulnerable people at Secondary Education and other hostels</li> </ul>                                                                                                                                                        | <ul style="list-style-type: none"> <li>Relaunch of updated Child Protection Framework and delivery of associated training program</li> </ul>                                                                                                                  | <ul style="list-style-type: none"> <li>Critical incidents</li> <li>Loss of reputation</li> <li>Threats to closure of hostels</li> </ul>                                                                                                                                     |
| Quality accommodations services         |                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                             |
| Accommodation services                  | <ul style="list-style-type: none"> <li>Failure to improve amenity and food service</li> <li>Customer service unsatisfactory</li> <li>Failure to adapt hostel environments to new accommodation needs</li> <li>Failure to obtain budgeted levels of secondary student enrolments</li> </ul> | <ul style="list-style-type: none"> <li>Cycle of QA audits (amenity)</li> <li>Compliance with state and territory food regulations</li> <li>Accountability in responding to resident complaints</li> <li>Implementation of Secondary Education Plan</li> </ul> | <ul style="list-style-type: none"> <li>Occupancy targets not met</li> <li>Loss of revenue</li> <li>Services not aligned to meet demand</li> <li>Loss of reputation as children to school is a key IAS priority</li> <li>Loss of reputation due to adverse events</li> </ul> |
| Staffing                                | <ul style="list-style-type: none"> <li>Inability to attract and maintain staff with skillsets appropriate to frontline positions</li> <li>Hostel staff not adequately screened</li> </ul>                                                                                                  | <ul style="list-style-type: none"> <li>Emphasis on frontline positions, including strengthened recruitment practices and staff training</li> </ul>                                                                                                            | <ul style="list-style-type: none"> <li>Insufficient capacity to deliver services adequately</li> </ul>                                                                                                                                                                      |



| ERM Component                                           | Risk                                                                                                                                                                                                                                                                                 | Mitigation                                                                                                                                                                                                                                                                                                                        | Effects on AHL (if unmitigated)                                                                                                                                                                 |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Work Health &amp; Safety for staff and residents</b> | <ul style="list-style-type: none"> <li>• Failure to comply with WH&amp;S regulations</li> <li>• Failure to protect children from harm</li> <li>• Failure to manage fraud and theft</li> </ul>                                                                                        | <ul style="list-style-type: none"> <li>• Cycle of QA audits (risk) Child Protection Framework &amp; training (inclusive of Commonwealth Working with Vulnerable People requirements)</li> <li>• Frameworks for workplace conduct and due diligence</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>• Physical and psychological harms to staff and residents</li> <li>• Rise in Comcare premiums Financial losses</li> <li>• Reputational damage</li> </ul> |
| <b>Business efficiency and financial sustainability</b> |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                 |
| <b>Financial sustainability and performance</b>         | <ul style="list-style-type: none"> <li>• Failure to obtain budgeted levels of secondary student enrolments</li> <li>• Failure to operate within funding envelope</li> <li>• Failure to maintain financial controls, including over expenditure and self-generated revenue</li> </ul> | <ul style="list-style-type: none"> <li>• Proactive internal audit program</li> <li>• Detailed quarterly financial performance reporting to Audit Risk &amp; Finance Committee (and Board)</li> <li>• Implementation of savings measures</li> <li>• Stringent financial controls</li> <li>• Effective debtor management</li> </ul> | <ul style="list-style-type: none"> <li>• Insufficient funds for effective operations, reinvestment, asset maintenance or shortfalls in revenue</li> </ul>                                       |
| <b>Information technology</b>                           | <ul style="list-style-type: none"> <li>• Failure to maintain system integrity</li> </ul>                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>• ICT Strategy</li> </ul>                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Disruption to business continuity and security</li> </ul>                                                                                              |
| <b>Sustainable asset management</b>                     |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                 |
| <b>Asset portfolio</b>                                  | <ul style="list-style-type: none"> <li>• Sites not fit for purpose and/or unsafe</li> <li>• Sites not in locations for maximal service delivery</li> </ul>                                                                                                                           | <ul style="list-style-type: none"> <li>• Ongoing site inspections and full condition audits</li> <li>• Asset management systems in place</li> <li>• Effective contractor management</li> </ul>                                                                                                                                    | <ul style="list-style-type: none"> <li>• Bottlenecks or slippages in asset program</li> <li>• Disruption of rolling routine maintenance</li> </ul>                                              |

---

# Relevant Legislation

This Corporate Plan has regard to and draws on:

The Constitution of Aboriginal Hostels Ltd

Ministerial Statement of Expectations and corresponding AHL Statement of Intent

*Corporations Act 2001*

*Public Governance, Performance and Accountability Act 2013 (PGPA Act) and the PGPA Rule*

*Australian Charities and Not-for-Profits Commission Act 2012*

*Aboriginal and Torres Strait Islander Act 2005*

*Public Service Act 1999*

*Auditor-General Act 1997*

*Privacy Act 1988*

*Freedom of Information Act 1982*

*Public Interest Disclosure Act 2013*

*Work Health and Safety Act 2011*

*Archives Act 1983*

*Fair Work Act 2009*

*Safety, Rehabilitation and Compensation Act 1988*







[ahl.gov.au](http://ahl.gov.au)