

SIBs and Homelessness – Moving Forward

The Premier and SA Government are strongly committed to SIBs as a new funding mechanism for homelessness and a range of other service areas. Shelter SA has responded by conducting a critical review of SIB and consulting with the homelessness sector to gauge enthusiasm, knowledge and skill levels and also to identify barriers to SIBs succeeding in SA. The following themes and issues have been identified as challenges to progressing SIBs. There are issues within homelessness that require leadership and collaboration between Shelter SA representing the sector, its constituency and the SA Government.

1. **COMMUNICATION STRATEGY:** Responses to SIBs are positive but confused. SIBs are seen as uncharted territory and hold uncertainty, mixed perceptions, attitudes and emotions. Greater attention must be paid to addressing barriers to trust and closer collaboration between the wider business community, the homelessness sector and State Government.
2. **PRINCIPLES:** The sector has not been able to consider SIBs in the light of any accessible statement of first principles, philosophy or values being expressed by State Government moving in this direction. It is unclear whether there is any ethical framework underpinning the introduction of SIBs.
3. **KNOWLEDGE CAPITAL:** The evidence bases and knowledge about SIBs are under-developed. SIBs require greater transparency and clearer role definitions with a commitment and agreement to build capital.
4. **MEASURES:** The Health and Community Services sector struggles with social outcomes measurement and SIBs herald what seems like a simple solution to this issue. Effective measurement of complex issues is a high risk area for SIBs. Wider consultation is needed to develop the criteria that help to measure outcomes with greater clarity on how non-measurables will be treated and weighted when assessing the success of projects.
5. **BUSINESS EDGE:** Community service agencies have not traditionally been funded to develop business and financial capacity either in thinking or practice. They have been driven towards greater accountability and quality systems but these have not been tied well enough into a business framework that is well aligned with community services.
6. **MARKET:** Considerable scepticism exists about Adelaide being a viable market place for SIBs investment due to the smaller scale of organisations and the population.
7. **COLLABORATION:** The representation of community services in any model to develop SIBs in SA must be drafted and communicated to effectively engage the community and obtain valuable input about the characteristics and operational nature of specific areas of complexity.

8. **GOVERNANCE:** Governance around SIBs is a high priority issue. Concerns include investors' influence in developing and during the operations of interventions; influence on NFP boards; what governance role or authority is delegated to any intermediary and what red tape burden may emerge from SIBs.
9. **CAPACITY BUILDING:** A strategic plan for sector capacity and capability building in developing and engaging with SIBs is needed.
10. **SUPERANNUATION:** Superannuation funds are put up frequently as potential sources of investment and a communication plan is needed to better define the issues and potential around superannuation to decide what can be realistically pursued.
11. **THE CLIENTS:** There is no method or plan on how to secure clients' voices in pursuit of SIBs, especially in light of changes in funding models which give greater self-determination and service selection to clients in other community services fields.
12. **BIG NGOS:** SIBs re-raises issues of differences between large and small agencies. How will the "big players" distort the diversity and responsiveness to the sector? What agreement will be sought from them for a fair and equitable degree of support to smaller organisations?
13. **CURRENT DEMAND:** Resource levels in community services are low to compared to the level needed to fully participate in SIBs. There is an environment of high client demand, unclear and highly fluid Commonwealth and State funding agreements and priorities and a lack of policy around the housing system.
14. **CONSORTIA:** Consortia have been accepted by State Government as part of SIBs but how will they be defined for suitability and what processes will be involved in terms of regulation and accountability? Included in this issue is the question about how intellectual property will be managed.
15. **TRANSITIONS:** Is there any plan by State Government to transition current service provision from block funding to an SIBs model?

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We acknowledge and respect the Kurna people as the traditional custodians of the ancestral lands we live and work on and their deep feelings of attachment and relationship to country