



Tasmanian
Audit Office

Funding of Common Ground Tasmania

REPORT OF THE AUDITOR-GENERAL
No. 9 of 2015–16



Why this review?

- Request from Treasurer
 - Concerned that CGT may be significantly more expensive than other supported accommodation facilities (SAFs)
 - Agreed to three-year funding with years 2 and 3 conditional on the Auditor-General review

Background - CGT

- The Common Ground model involves mixing supported housing for the homeless with affordable housing tenancies
- CGT operates within the broader housing and homelessness service system
- CGT manages two government-owned properties at Goulburn Street and Campbell Street, constructed in 2008
- Similar supported housing SAFs operated by Anglicare in the North of the state

CGT

- The Common Ground model involves:
 - Provision of housing (first) in conjunction with on-site support
 - High quality, affordable self-contained units in congregate setting
 - Communal facilities
 - Permanent tenancy
 - Safe, secure environment
 - STs pay only 25 – 30 per cent of their income in rent
 - Diverse social mix to facilitate social inclusion (ST:AHT = 50:50)

Review objective

- ... to form an opinion whether government funding and other support provided to CGT ...
- ... represented value for money ...
- ... compared to alternative means of achieving equivalent outcomes

Audit scope

- We focused on 2014-15 and ignored prior ‘teething’ problems

Audit approach

- Based on data provided by HT and CGT
- Discussions with CGT and HT staff, academics and consultants
- No data or interviews requested of Anglicare
 - Focus on funding, not costs
 - Expectation HT would have comparative data
 - Difficulty obtaining and verifying data from a non-auditee

Criterion 1

Was CGT effective?

Meeting HT requirements? [Section 1.2]

- HT1: assess and support STs: **Yes**
 - Reports showed that needs assessed and met
 - Tenants satisfied
 - Internal status reports showed in-depth knowledge
- HT2: accommodate homeless and most vulnerable: **Yes**
 - Close to full, with 44 STs
 - 68% of STs homeless prior to CGT
 - Debate as to whether CGT taking most vulnerable, but **Yes**

Meeting HT requirements? [Section 1.2]

- HT4: encourage STs into education and employment: **Yes**
 - Joint CGT and TasTAFE skills initiative, other CGT programs
 - 16 of 44 STs (36%) in education or employment
 - Employment a challenging area with employers often unforgiving
 - 86% of STs on disability pensions
- HT6: provide stability of tenure: **Yes**
 - Average tenure for the 44 STs was 13 months
 - Only two STs left in the last 6 months, both to private rental

Meeting HT requirements? [Section 1.2]

Also, positive findings for:

- HT3: support STs moving into independent accommodation
- HT5: case management plans
- HT7: Tenants to include at least 40 per cent STs
- HT8: High occupancy rate of CGT facilities
- HT9: CGT to minimise arrears in rental

Conclusion 1.2: HT requirements met

Research evidence? [Section 1.3]

- Evidence for supportive housing with scattered sites
 - Secure housing and pro-active support were effective
 - Supportive housing leads to reduced overall cost to the system
 - NPAH programs resulted in 80% to 92% sustaining tenancies
 - Clients more likely to sustain tenancies with support
- Evidence for supportive housing in congregate sites
 - Not much research
 - Qld research shows supportive housing leads to reduced overall cost to the system

Research evidence?

[Section 1.3]

- Discussion:
 - Reasonable to assume support for scattered site model also provides some support for congregate site model
 - Reasonable to assume some people more suited to congregate sites and some more suited to scattered site
- Conclusion 1.3: there was evidence for the Common Ground model of supportive housing

Better outcomes than other SAFs?

[Section 1.4]

- Not possible to evaluate because:
 - Every client so different
 - Evaluations of the task and progress for each client are very subjective
 - Small number of tenants and short period of operation
 - KPI reports largely based on tenant perceptions
 - All reports for CGT and SAF similarly ‘glowing’
- HT analysis also found similar positive findings for both
- Conclusion 1.4: no conclusion possible

Delivering a unique service [Section 1.5]

- Unique model?
 - Similar features to Northern SAFs (see slide 3)
 - Scattered site model available in Hobart through Housing Connect
 - Youth SAF just coming on line at Trinity Hill site in Hobart
 - Supported residential facilities in Hobart provide communal, long term accommodation, with full board at 85% of income
 - But no similar SAF in Hobart

Delivering a unique service

[Section 1.5]

- Taking most vulnerable?
 - CG model designed for chronically homeless
 - 68% of STs in 2014–15 had been homeless prior to CGT
 - Half STs homeless for five years or longer
 - 23% had never had stable housing
 - Almost all STs had issues with mental health or substance abuse
 - Some early concerns CGT turning away most desperate – we were satisfied CGT policy appropriate

Delivering a unique service

[Section 1.5]

Conclusion 1.5: CGT was delivering a service not otherwise provided:

- Adult SAF in Hobart
- Targeting most vulnerable

Criterion 1 conclusion

CGT was effective

Criterion 2

Was CGT funding excessive?

Funding comparable with other SAFs? [Section 2.2]

- We were interested in funding per supported tenant
- Funding:
 - Funding of CGT in 2014-15 included cash and car park profits totalling \$672K
 - We excluded Thyne House from North SAFs (youth site, short-medium accommodation)
 - Funding of remaining North SAFs estimated at \$175K

Funding comparable with other SAFs? [Section 2.2]

- Supported tenants:
 - HT had previously performed analysis of funding per ST which showed CGT as much more expensive (using AIHW data)
 - But CGT and Anglicare groups recognised by AIHW were too dissimilar
 - AHTs excluded from CGT clients but Anglicare ‘independents’ included
 - CGT tenants much more likely to have previously been homeless
 - Instead we allocated points on basis of need: high (3 pts), medium (2 pts), low (1 pt), independent (0 pts)

Funding comparable with other SAFs? [Section 2.2]

TAO analysis	North sites	CGT
Total support points	41	113
Equivalent medium need tenants	20.5	56.5
Funding	\$175 241	\$671 641
Funding per medium need tenant	\$8548	\$11 887

Funding comparable with other SAFs? [Section 2.2]

- On that basis CGT 39% more expensive than North SAFs
- CGT funding reduced by \$100K down to \$440K for 2015-16
- On that basis the difference would be only 19%

Conclusion 2.2: Reasonable, taking into account likely cost differences related to location and building design

Sustainable at current funding levels? [Section 2.3]

- On 2014–15 funding CGT made a loss of \$121 770
- Funding reduced by \$100K from 2015-16
- Building costs (\$722K):
 - Contract renegotiations will save net \$30K
 - Repairs and maintenance
- Salaries (\$991K):
 - 10.4 FTEs
 - CGT looking to reduce by at least one, save \$100K

Sustainable at current funding levels? [Section 2.3]

- Other (\$260K):
 - Includes rent, printing, insurance, consumables, electricity, accounting and payroll
 - CGT looking to move accounting and payroll in-house, save estimated \$30K
 - Other small savings possible

Conclusion 2.3: just sustainable

Would another operator need less funding?

[Section 2.4]

- As per Section 1.2, CGT more costly than other SAFs but not unreasonably so
- As discussed in Section 2.4, CGT expenses appeared reasonable
- Conclusion 2.4: not persuaded another operator could provide equivalent services at substantially lower funding

Conclusions

Criterion 1: CGT was effective

Criterion 2: Funding not excessive

Overall conclusion: government funding and other support provided to CGT represented value for money

Recommendations

3 recommendations:

1. HT works with funded housing providers to design outcomes based performance targets for funding agreements
2. HT develop measures for its own calculation of funding per tenant
3. HT perform a three-yearly review of all costs and engage with CGT in doing so. If not satisfied, HT should test the market

Responses

- CGT
 - Welcomed the findings
- DHHS
 - Report represents an important input
 - DHHS seeking to provide better performance indicators and measures
 - All recommendations supported
 - Audit would have benefitted from more comprehensive comparative analysis of CGT and the northern SAFs [A-G rebuttal]

Current projects

- Tasmanian Forests Intergovernmental Agreement
- Compliance with legislation
- Management of national parks
- Government support for sporting and other events
- Ambulance emergency services

Any questions?