



**Tasmanian**  
Audit Office



**Report of the Auditor-General  
No. 9 of 2015-16**

**Funding of Common Ground Tasmania**

February 2016

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## INTRODUCTION

Common Ground Tasmania (CGT) is an organisation that offers supported accommodation services to vulnerable members of the community and affordable housing to people at risk of homelessness. CGT manages two properties in Hobart, at Goulburn Street and Campbell Street, both of which are owned by the Tasmanian Government.

In addition to the construction of these properties in 2008, by June 2015 the Tasmanian Government had provided CGT with \$2.4m in direct service funding. Following recent negotiations for the renewal of funding agreements, CGT had written to the Premier raising concerns that a proposed reduction in funding would make it impossible for CGT to continue viable operations.

The government was concerned that the supported accommodation operated by CGT may be significantly more expensive than that provided by other service providers. The Treasurer advised that Cabinet had agreed to a three-year extension of funding for CGT, from 2015–16 to 2017–18. However, years two and three of that funding were made conditional on the Auditor-General undertaking a review of CGT, and the findings of that review satisfying the Minister for Human Services that ongoing funding to CGT was an appropriate use of government funds.

On 20 October 2015, the Treasurer requested that the Auditor-General undertake a review of CGT to be completed by 18 December 2015. On 4 November 2015, the Auditor-General advised that he would initiate a review under section 24 of the Audit Act 2008 (the Act) but that he would report no later than 28 February 2016.

The review objective was 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.

The review encompassed CGT and the Department of Health and Human Services (DHHS) and, in particular, the unit: Housing Tasmania (HT).

We focused on the financial year 2014–15.

## REVIEW CONCLUSIONS

These review conclusions are based on criteria that we developed to support the review's objective.

Our opinion was that government funding and other support provided to CGT represented value for money compared to alternative means of achieving equivalent outcomes.

That opinion was based on the following criteria.

### Was CGT effective?

Our opinion was that:

- there was strong evidence that supportive housing was effective
- while evidence for the Common Ground model was harder to find, the model shared most features of the well evidenced 'Housing First' model
- CGT was meeting HT's funding requirements
- CGT was delivering a service otherwise not provided in that it housed a high proportion of previously homeless people and was the only provider of supportive congregate-site accommodation to adults in the greater Hobart area.

We concluded that CGT was effective.

### Was CGT funding excessive?

Our opinion was that:

- CGT's funding per supported tenant was more expensive, but not unreasonably so, than other supported accommodation facilities (SAFs) operating in the north of the State
- a higher proportion of CGT's tenants were formerly homeless than other SAF's tenants
- CGT was only just sustainable at current funding levels
- there was no persuasive evidence that another operator could provide equivalent supportive housing at a substantially lower level of funding.

We concluded that CGT's current funding was not excessive.

## LIST OF RECOMMENDATIONS

The Report contains the following recommendations:

REC	WE RECOMMEND THAT HT...
1	... continues to work with funded housing and homelessness providers to design outcomes based performance targets, measurements and tools to be incorporated into funding agreements.
2	... develops measures to facilitate reliable calculation of funding per supported tenant. This might be performed in conjunction with HT's development of outcomes based performance targets, measurements and tools as per Recommendation 1.
3	... perform a rigorous three-yearly review of all costs and that it engage with CGT in doing so. If that were not to result in a satisfactory outcome, HT could test the market.



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