

MEDIA RELEASE – Monday, 26 May 2025

Auditor-General finds the Department of Health’s administration of funding to community service organisations ineffective

The Tasmanian Auditor-General, Mr Martin Thompson said, ‘Health’s management of funding arrangements was fundamentally flawed. Health had not established effective frameworks, arrangements, or monitoring activities.’

Mr Thompson said ‘I assessed how well Health administered funding to community service organisations. These organisations are critical to the Tasmanian health system, and they rely on government funding.’

In expressing his conclusion Mr Thompson said, ‘Health has known about issues with its funding administration for a long time. Recommendations to fix community service organisation funding were made to either Health or the State Government as a whole in 2009, 2016, and 2021. Health’s failing approach to grants management and quality and safety was identified by management in 2019. Systemic issues with procurement and contract management were known since at least early 2024. Yet, these issues have not been fixed.’

Mr Thompson said, ‘I observed that Health knew of the risks, but did not acknowledge them at the right levels, or manage them effectively.’

Mr Thompson said, ‘the key recommendation of this report is for Health’s executive team to identify and address whatever cultural issues prevent it from improving its administration. The other recommendation is for Health to implement existing recommendations from earlier reviews.’

[Click on this link to read the Report](#) and frequently asked questions.

ENDS

Further information contact Jonathan Wassell, Deputy Auditor-General, on (03) 6173 0900.