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

Funding of Common Ground Tasmania

February 2016
THE ROLE OF THE AUDITOR-GENERAL

The Auditor-General’s roles and responsibilities, and therefore of the Tasmanian Audit Office, are set out in the Audit Act 2008 (Audit Act).

Our primary responsibility is to conduct financial or ‘attest’ audits of the annual financial reports of State entities. State entities are defined in the Interpretation section of the Audit Act. We also audit those elements of the Treasurer’s Annual Financial Report reporting on financial transactions in the Public Account, the General Government Sector and the Total State Sector.

Audits of financial reports are designed to add credibility to assertions made by accountable authorities in preparing their financial reports, enhancing their value to end users.

Following financial audits, we issue a variety of reports to State entities and we report periodically to the Parliament.

We also conduct performance audits and compliance audits. Performance audits examine whether a State entity is carrying out its activities effectively and doing so economically and efficiently. Audits may cover all or part of a State entity’s operations, or consider particular issues across a number of State entities.

Compliance audits are aimed at ensuring compliance by State entities with directives, regulations and appropriate internal control procedures. Audits focus on selected systems (including information technology systems), account balances or projects.

We can also carry out investigations but only relating to public money or to public property. In addition, the Auditor-General is now responsible for state service employer investigations.

Performance and compliance audits are reported separately and at different times of the year, whereas outcomes from financial statement audits are included in one of the regular volumes of the Auditor-General’s reports to the Parliament normally tabled in May and November each year.

Where relevant, the Treasurer, a Minister or Ministers, other interested parties and accountable authorities are provided with opportunity to comment on any matters reported. Where they choose to do so, their responses, or summaries thereof, are detailed within the reports.

The Auditor-General’s Relationship with the Parliament and State Entities

The Auditor-General’s role as Parliament’s auditor is unique.
REPORT OF THE AUDITOR-GENERAL
No. 9 of 2015–16

Funding of Common Ground Tasmania

February 2016

Presented to both Houses of Parliament in accordance with the provisions of the Audit Act 2008
25 February 2016

President
Legislative Council
HOBART

Speaker
House of Assembly
HOBART

Dear Mr President
Dear Madam Speaker

REPORT OF THE AUDITOR-GENERAL
No.9 of 2015–16: Funding of Common Ground Tasmania

This report has been prepared consequent to examinations conducted under section 24 of the Audit Act 2008. The objective of the review was to form an opinion whether government funding and other support provided to Common Ground Tasmania represented value for money compared to alternative means of achieving equivalent outcomes.

Yours sincerely

H M Blake
AUDITOR-GENERAL
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Foreword

In recent years Tasmanian Governments have increasingly entered into arrangements with the Non-Government sector for the provision of social housing for vulnerable Tasmanians. Common Ground Tasmania provides such a service having done so for a number of years. It is not a government agency.

While Common Ground has alternative sources of funding, it is heavily reliant on public support and, I suspect, will continue to be so under its current operating model. That said, if Common Ground did not exist, the services it offers are necessary and would need to be provided in any event. However, it is incumbent on government to ensure that, whoever provides publicly funded services, those services are effective and efficient and that contractual arrangements entered into for the provision of such services include relevant and appropriate outcome based measures of performance and are complied with.

Developing such measures in areas as complex as the provision of housing to vulnerable people is difficult but needs to be done especially where services provided are, or are not, in some way unique. Without this, reasonable comparison between services providers, as we found when conducting this review, will have to be completed using inputs rather than outputs. I understand Housing Tasmania wishes to apply, and are developing, an outcomes funding based model which I support and I urge them to finalise their work on this, however difficult it might be.

In general, my review found that Common Ground is effective in providing the services funded by government and I could find no reason to conclude that it was not efficient in doing so. I therefore support the need for government to fund Common Ground, at least until 2017–18, at current levels of services.

However, this must not be taken as suggesting Housing Tasmania should not continue to review Common Ground’s performance including its costs and revenues. Essential in doing so is the need to engage directly at an officer to officer level.

During the course of this review, several separate meetings were held with representatives from Housing Tasmania and Common Ground. I thank them for their openness and transparency and for their timely responses to matters we raised.

H M Blake
Auditor-General
25 February 2016
List of acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AHT</td>
<td>Affordable housing tenant</td>
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<tr>
<td>CGT</td>
<td>Common Ground Tasmania</td>
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<td>DHHS</td>
<td>Department of Health and Human Services</td>
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<tr>
<td>FEMNT</td>
<td>Funding per Equivalent Medium Need Tenant</td>
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<td>HT</td>
<td>Housing Tasmania</td>
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<tr>
<td>KPI</td>
<td>Key performance indicator</td>
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<tr>
<td>NPAH</td>
<td>National Partnership Agreement on Homelessness</td>
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<td>AIHW</td>
<td>Australian Institute of Health and Welfare</td>
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<tr>
<td>SAF</td>
<td>Supported accommodation facility</td>
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<tr>
<td>SHIP</td>
<td>Specialist Homelessness Information Platform, a data system run by AIHW</td>
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<td>ST</td>
<td>Supported tenant</td>
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<td>TOI</td>
<td>Tenant outcome interview</td>
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<td>UTAS</td>
<td>University of Tasmania</td>
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Executive summary
Executive summary

Background

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.

Review objective

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.

Review scope

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.
Executive summary

Review criteria

Review criteria developed, assessed whether:

- CGT was effective
- CGT funding was excessive.

Detailed review conclusions

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\(^1\) 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

\(^1\) A congregate site is one in which individual units are grouped in a single building, such as a block of flats.
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.

Recommendations made

The Report contains the following recommendations:

<table>
<thead>
<tr>
<th>Rec</th>
<th>Section</th>
<th>We recommend that HT...</th>
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<tbody>
<tr>
<td>1</td>
<td>1.2</td>
<td>... continues to work with funded housing and homelessness providers to design outcomes based performance targets, measurements and tools to be incorporated into funding agreements.</td>
</tr>
<tr>
<td>2</td>
<td>2.2</td>
<td>... 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.</td>
</tr>
<tr>
<td>3</td>
<td>2.3</td>
<td>... 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.</td>
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Audit Act 2008 section 30 — Submissions and comments received
Audit Act 2008 section 30 — Submissions and comments received

Introduction

In accordance with section 30(2) of the Audit Act 2008, a copy of this Report was provided to the entities indicated in the Introduction to this Report.

A summary of findings, with a request for submissions or comments, was also provided to the Minister for Human Services and the Treasurer.

Submissions and comments that we receive are not subject to the review nor the evidentiary standards required in reaching a review conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response. However, views were considered in reaching review conclusions.

Section 30(3) of the Act requires that this Report include any submissions or comments made under section 30(2) or a fair summary of them. Submissions received are included in full below.

Department of Health and Human Services

Thank you for the final draft report by the Tasmanian Audit Office on the Funding of Common Ground Tasmania and the opportunity to provide a response.

The Report represents an important input into considerations about the future of Common Ground Tasmania (CGT) by the Tasmanian Government.

There has been significant reform in housing and homelessness services over recent years including introduction of Housing Connect and Better Housing Futures. The Tasmanian Affordable Housing Strategy 2015–2025 and Action Plan 2015–2019 provide clear direction for further action and reform. The Strategy provides a comprehensive approach to prevent, intervene and respond to housing affordability issues and help those most vulnerable to housing stress and homelessness.

The Affordable Housing Action Plan 2015–19 – Action16 (Outcomes Framework) will be implemented to provide better performance indicators, measuring tools, transparent Performance Report Cards and an evaluation framework with funded organisations. This is a partnered approach with
organisations to develop agreed performance measures. It will provide a solid basis for improved monitoring and performance reporting of the effectiveness of housing assistance initiatives.

All recommendations in the Report are supported by the Department of Health and Human Services (DHHS), including:

- To continue to work with housing and homelessness service providers to incorporate outcomes based performance targets, measures and tools in funding arrangements.
- Develop funding arrangements in conjunction with the outcomes based performance approach.
- Engage with CGT to perform a rigorous three-yearly review of all costs. If the result is not satisfactory then Government could test the market.

I appreciate the tight timeframes to produce the Report, but note that I believe the audit would have benefitted from a more comprehensive comparative analysis of CGT and the northern Supported Accommodation Facilities (SAFs) managed by Anglicare Tasmania. A more detailed analysis of finances, operating models and client case studies that were informed by consultation with not just CGT, but also Anglicare Tasmania, would have strengthened the report and better informed its conclusions.

I wish to thank you and staff from the Tasmanian Audit Office, Departmental staff and Common Ground Tasmania for their contribution to this important report.

Michael Pervan

Secretary

Auditor-General’s comment

In the Secretary’s response he stated ...

... that I believe the audit would have benefitted from a more comprehensive comparative analysis of CGT and the northern Supported Accommodation Facilities (SAFs) managed by Anglicare Tasmania. A more detailed analysis of finances, operating models and client case studies that were informed by consultation with not just CGT, but also Anglicare Tasmania, would have strengthened the report and better informed its conclusions.
In response, I would like to make the following points:

- As stated in my plan, with the exception of the sustainability issue, the review was ‘not ... concerned with expenditure and cost structures of CGT—from my perspective the relevant cost was the support provided by the government’. I continue to believe that approach was the correct one.

- In undertaking the review in considerably less than my normal timeframes, my expectation was that I would need to rely mainly on information provided by HT and CGT. Detailed expenditure data was readily available from those sources for CGT, but not for the SAFs managed by Anglicare.

- I could have requested financial data, but given that Anglicare was not an audit client and that any information would have required verification and follow up enquiries by me, financial comparison was not considered possible in the time available. In addition, even with verified comparable cost information, comparison would still have had to take into account many factors that are outside the control of the SAFs such as council rates, council security requirements, suitability of buildings, local contract costs, and more.

- With respect to client outcomes, I had extensive information available to me in the form of the AIHW data, UTAS reviews and KPI reports for the Northern SAFs. Using that information I found that ‘both CGT and the Northern SAFs were doing good work, which was leading to sustained tenancies, few returns to homelessness, improved living skills, engagement in education and employment, reunification with families and successful exits to unsupported accommodation’. Given that already strong finding, it seems unlikely that review of client case studies from the Northern SAFs would have had any impact on my findings.

Common Ground Tasmania

Thank you for the opportunity to provide a response to the Report. Common Ground Tasmania (CGT) does not take material issue with the content and welcomes the findings that CGT was effective and that current funding was not excessive.

The Report confirms CGT’s success in permanently housing chronically homeless people, who had not been able to maintain permanent housing within existing systems and services, prior to the establishment of Common Ground housing in Tasmania. It
also provides a valuable reference point for the Board’s future strategic direction. Within that broad context, CGT responds as follows:

1. The Report (item 1.4) expresses reservation about CGT’s performance information. CGT considers these comments are pejorative toward our tenants.

CGT has developed the tenant outcome framework, and collected the data, in consultation with UTas and well regarded, independent national research organisation Lirata Consulting, using recognised social research methodologies. Dr Cooling’s (UTas School of Medicine) and Lirata Consulting’s commentary in relation to the integrity of the process and validity of the outcomes have been provided to you.

The Director of Lirata Consulting has commented, “reliability of tenant outcomes data available through the TOI process is considerably stronger than that of the outcomes data sets used in (for example) the Specialist Homelessness Service Data Collection analysed by AIHW”.

CGT considers it would have been more reasonable for the Report to simply conclude the performance of CGT and other SAF housing providers cannot be reliably compared.

2. CGT acknowledges the recommendation (at 2.3) that HT will engage with CGT in ongoing cost review. We welcome the opportunity to work collaboratively, and in good faith, with HT for the duration of the current funding agreement to rigorously review all costs.

Whilst we acknowledge that if no mutually satisfactory outcome can be achieved, HT could consider testing the market, we also note that this would be at odds with the approach taken in the four other States and one Territory where the model of Common Ground supportive housing operates in Australia.

In closing, CGT recognises the diligent and thorough approach of the Tasmanian Audit Office in the preparation of the Report.

Paul Lennon
Chairman Common Ground Tasmania
Introduction
Introduction

Background

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. The Common Ground model was first developed in New York City, and has since been adopted in Australia, including Tasmania. The model involves mixing housing for the homeless with affordable housing tenancies.

CGT operates within the broader housing and homelessness service system within Tasmania. The service system provides all forms of residential accommodation — from public and community housing to private rentals and home ownership. It also includes supported, emergency and transitional accommodation with information, assessment, support and advice available through the Housing Connect service. Housing Connect conducts assessments of clients and provides referrals to CGT. CGT then conduct their own assessment of suitability with the assistance of a Housing Connect representative and make offers accordingly. Housing Connect can also provide support to former CGT tenants where they exit a property.

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.

Housing Connect is a collaboration between HT and NGOs, which assesses and prioritises applicants’ housing needs arranges for integrated service delivery to social housing clients.
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), noted that meeting the proposed deadline would not be possible, but committed to completion by 28 February 2016.

Review objective

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.

Review criteria

Review criteria developed, assessed whether:

- CGT was effective?
- CGT funding was excessive?

Review scope

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 approach

The review:

- assessed outcomes for CGT and other providers of supported accommodation to (otherwise) homeless people
- compared the government’s contribution (including non-cash benefits) per units of outcome of CGT with other providers
- relied mainly on data provided by HT, although consideration was given to other data, where relevant. We chose not to seek data from the Northern SAFs partly because of time constraints and also because any data obtained would have required validation and interpreting for consistency with CGT data
- reviewed financial information including projections, with a view to determining the likelihood that additional support might be needed in the future
Introduction

- held discussions with CGT and HT staff
- held discussion with relevant consultants to CGT and academics.

_Timing_

Planning for this review began in December 2015 with fieldwork being undertaken until January 2016. The report was finalised in February 2016.

_Resources_

The review plan recommended 500 hours and a budget, excluding production costs, of $79,185. Total hours were 380 and actual costs, excluding production, were $76,888, which was within our budget.

_Why this project was selected_

The review was initiated at the request of the Treasurer under section 24 of the _Audit Act 2008_.

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_Funding of Common Ground Tasmania_
1 Was CGT effective?
1 Was CGT effective?

1.1 Background

We examined whether:

- CGT was meeting HT’s funding requirements
- research supported the Common Ground model
- CGT had demonstrated better outcomes than other supported accommodation facilities (SAFs)
- CGT was delivering a service otherwise not provided.

1.2 Was CGT meeting HT’s funding requirements?³

Provision of funding by DHHS to CGT was based on the DHHS CGT Service Funding Agreement (Funding Agreement). The Funding Agreement outlined requirements for support to supported tenants (STs) as well as management of the accommodation facilities.

The Funding Agreement with HT provided a useful mechanism from which to assess whether CGT was operating effectively, since its requirements:

- were derived from CGT’s objectives
- provided a framework for regular reporting.

We relied on the information listed in Table 1 for our assessments:

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³HT’s requirements are taken from the DHHS CGT service funding agreement—Schedule 2 — Services and Performance Standards, Section 2.2.6: Key Performance Indicators and Section 2.2.1: Purpose of Funding.
Table 1: Information used to assess performance of CGT

<table>
<thead>
<tr>
<th>Source</th>
<th>Description</th>
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<tr>
<td>January to June 2015 key performance indicator (KPI) report to HT (KPI 2015). Similar information was available for the Northern SAFs and is referred to throughout this Report.</td>
<td>A six-monthly free form report to HT against the KPIs outlined in the Funding Agreement. No directions had been provided by HT for completion of this Report. We found some inconsistency between CGT and Northern SAF reports, and even between information provided by the separate Northern sites. HT advised that its Affordable Housing Strategy included a commitment to work with funded housing and homelessness providers to design outcomes based performance targets, measurements and tools to be incorporated into funding agreements.</td>
</tr>
<tr>
<td>Australian Institute of Health and Welfare (AIHW) Statistical Summary: Reports 2.1 to 6.6 (AIHW 2015). Similar information was available for the Northern SAFs and is referred to throughout this Report.</td>
<td>AIHW prepared service activity reports which included a statistical summary of service outputs and specific reports relating to various aspects of service delivery. The data was based on CGT input to the Specialist Homelessness Information Platform (SHIP) data system. CGT advised that it was likely that some services it provided were not always entered into the SHIP system and that it regarded the SHIP system as more of a national funding requirement than an operational resource. By contrast, HT regarded it as an important performance reporting tool which it saw as having an increasing role in outcomes-based performance targets.</td>
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University of Tasmania (UTAS)’s Evaluation of Supported Accommodation Facilities, June 2014 (UTAS 2014). An equivalent report was available for the Northern SAFs and is referred to throughout this Report.

This evaluation of the two CGT facilities was part of a suite of evaluations on homelessness support services performed by the Housing and Community Research Unit of UTAS, funded under the National Partnership Agreement on Homelessness (NP AH) in Tasmania. The research was undertaken between November 2013 and February 2014.

This evaluation of the two CGT facilities was part of a suite of evaluations on homelessness support services performed by the Housing and Community Research Unit of UTAS, funded under the National Partnership Agreement on Homelessness (NP AH) in Tasmania. The research was undertaken between November 2013 and February 2014.

Tenant Outcome Interviews conducted by independent consultants on behalf of CGT (TOI 2015).

Although previous processes involving tenant interviews had been conducted, we chose to rely only on the most recent report, based on interviews performed in October 2015.

CGT’s internal Tenant Support Needs Summary (TSNS)

TSNS was an internal document that summarised the support needs of STs and some affordable housing tenants (AHTs).

We focused on the most recent information available in each category since our interest was in how CGT was currently performing, rather than with any ‘teething’ problems encountered in the early years of CGT’s operation.

We had some reservations about the subjectivity of interview data used. On the other hand, we were satisfied that as far as possible, interview questions had sought informative responses rather than just opinions. Also, one form of information that provided us with additional confidence in the information provided was extracts of six-monthly tenant status reports from CGT that demonstrated an impressive knowledge of individual tenants and support work being undertaken.

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Prior to considering the requirements in detail, we noted that a senior officer from HT advised that there were ‘no concerns or issues with services delivered to CGT clients’.

1.2.1 HT requirement 1: Was CGT assessing and supporting STs?

We noted that:

- CGT’s internal summary of support needs showed that needs had been assessed for all STs and some AHTs
- CGT’s KPI 2015 stated that ‘during the reporting period January — June 2015, CGT housed 44 formerly chronically homeless tenants and 100 per cent of these tenants were supported in accordance with their assessed needs’
- AIHW 2015 reports showed that case management plans had been prepared for 43 of 44 STs and that almost all identified needs had been met for STs
- extracts from internal status reports and discussion with CGT’s Manager of Support Services demonstrated a thorough understanding of ST needs and services provided
- tenants interviewed during interviews in 2014 and 2015 were consistently satisfied with the support provided.

We concluded that this requirement was being met.

1.2.2 HT requirement 2: Was CGT providing accommodation to potential STs where there was reasonable capacity to do so?

We noted that:

- CGT’s KPI 2015 stated that ‘At the 30th June 2015, 56% of leases were held by AHTs, with 44% of leases held by STs who had a history of chronic homelessness’.
- Our analysis of AIHW 2015 reports showed that 68 per cent of June 2015 STs had been homeless one month before becoming CGT tenants.
- UTAS 2014 includes a discussion about CGT not accepting some highly vulnerable people as tenants. The report noted that some homeless sector interviewees had expressed concerns that ‘CGT were not allocating properties to the intended target group’ and that ‘this selection process effectively screens out many of the most difficult cases for whom they understand the facilities were purpose-built’.
In response, CGT noted that homeless people were not offered housing if they might be a safety risk or unable to sustain independent living. In those cases, ‘external service providers are identified and appropriate referrals made to assist that will ultimately lead to a successful tenancy’.

We consider it to be reasonable that CGT screened out people who would not at that time be suitable for its communities, particularly since there was strong evidence that the STs it accepts have both histories of homelessness and complex support needs. We note that this is one reason why a congregate-site facility such as CGT is not suitable for all homeless people. HT advised that in addition to CGT, a Housing First approach was provided through Housing Connect. That service involved tenure-neutral support to people in need across all types of housing.

We concluded that this requirement was being met.

1.2.3 HT requirement 3: Was CGT assisting and supporting STs when moving out of CGT to independent accommodation?

We were advised by CGT that outreach services were provided for a period of three months after a tenancy ends to ensure maximum chance of independent external housing being sustained. CGT’s KPI 2015 also noted that outreach support had been provided for the two STs who had moved to independent accommodation in the January to June 2015 period.

We concluded that this requirement was being met.

1.2.4 HT requirement 4: Was CGT encouraging and supporting STs to participate in education, training or employment?

We noted that:

- KPI 2015 stated that from January to June 2015, 12 STs (27 per cent) participated in education/training or employment. This represented a 33 per cent improvement from the equivalent period in 2014, largely due to a joint CGT and TasTAFE skills initiative

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8 A congregate site is one which individual units are grouped in a single building, such as a block of flats.
AIHW 2015 showed 16 (five in employment, 11 in education or training) of 44 STs in one of the categories (36 per cent)

tenant interviews performed in preparation of UTAS 2014 noted that opportunities were provided but that not all CGT tenants were able or interested

CGT advised that it was now focusing on ‘meaningful use of time’, involving activities such as IT literacy programs, cooking and gardening, partly to avoid boredom, but also as a precursor to supporting tenants to take up training, education and employment opportunities

an independent consultant who reviewed performance information for CGT in 2015 commented to us that this had been a weaker area for CGT, but conceded that employment was always a challenging area with employers often unforgiving about absences and rudeness

CGT advised that 86 per cent of its supported tenants were on Disability Support Pensions, which can be a complicating factor in achieving participation in education, training or employment.

We concluded that despite disappointing take up by tenants, the requirement of encouragement and support was being met.

1.2.5 HT requirement 5: Was CGT assisting each ST in their transition to independence through a case management plan tailored to individual needs and circumstances?

We noted that:

AIHW 2015 indicated that case management plans existed for all but one ST. This was a very good outcome given that there was no coercive element in the requirement for tenants to engage in support

UTAS 2014 noted qualitative data that suggested CGT had been successful in areas related to independent living, including tenancy management, social inclusion and participation and improved capacity for STs to manage their own health

TOI 2015 found that 60 per cent of STs rated CGT as positive for their mental health. The main themes cited were social interaction, onsite support, safety and stability of tenure.

We concluded that the requirement was being met.
1.2.6  HT requirement 6: Was CGT providing stability of tenure to STs?

We noted that:

- KPI 2015 advised that average tenure for the 44 STs was 13 months. Only two had exited in the six months covered by the report; both to private accommodation
- KPI 2015 noted that CGT had a partnership with a rental agency that assisted tenants moving out of CGT into private accommodation
- UTAS 2014 considered that CGT had been successful with this KPI
- 38 supported tenants had exited CGT since its commencement, 22 of them (58 per cent) into other forms of appropriate housing.

We concluded that the requirement was being met.

1.2.7  HT requirement 7: Tenants to include at least 40 per cent STs

At the time of the review, 45 per cent of tenants were STs. We concluded that the requirement was being met.

1.2.8  HT requirement 8: CGT to maintain a high occupancy rate of CGT facilities

At 30 June 2015, 95 of the 97 units were occupied with two recent departures since replaced. We concluded that the requirement was being met.

1.2.9  HT requirement 9: CGT to minimise arrears in rental

There were no arrears in rental due at 30th June 2015. We concluded that the requirement was being met.

Section 1.2 conclusion

CGT was fully meeting HT's funding requirements.

Recommendation 1

We recommend that HT continues to work with funded housing and homelessness providers to design outcomes based performance targets, measurements and tools to be incorporated into funding agreements.

1.3  Does research support the Common Ground model?

An important consideration in whether CGT represented value for money was whether there was research in support of the model.
The Common Ground model is a form of supportive housing, which shares many features with the ‘Housing First’ service, an approach to solve homelessness involving rapid access to permanent housing together with wrap-around support. The main difference is that Housing First models generally involve scattered site housing, whilst the Common Ground model uses congregate sites.

We noted that research had provided evidence of effectiveness of supportive housing as follows:

- Early interventions in the form of secure housing⁹ and pro-active support¹⁰ were effective.
- Permanent supportive housing to homeless people with a mental illness was cost-effective and likely to lead to reduced overall cost to the system¹¹.
- NPAH programs, aimed at supporting homeless clients and those at risk of homelessness had been successful in assisting 80 to 92 per cent of households to sustain their tenancies¹².
- Clients of NPAH programs were more likely to sustain tenancies with support than if they had not received program support¹³.
- Provision of affordable housing with some form of voluntary support services was a successful means to enable people with experiences of homelessness and mental illnesses to sustain housing¹⁴.

On the other hand, there appeared to be little research to support the Common Ground model, with its use of congregate

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⁹ M. Lovering, Secure housing helps recovery from mental illness, Evidence Review 037, Australian Housing and Urban Research Institute, Oct. 2013.
¹² K. Zaretzy, and P. Flatau, The cost effectiveness of Australian tenancy support programs for formerly homeless people, Final Report No.252, Australian Housing and Research Institute, Melbourne, p.53.
¹³ Ibid. p.29.
sites. Dr Cameron Parsell, a University of Queensland academic, has commented:

... it was apparent that there was no study anywhere in the world published that demonstrated the effectiveness of Common Ground.\(^{15}\)

Similarly, Johnsen and Teixeira stated:

The Common Ground model has not, however, yet been subject to independent evaluation, hence its effectiveness in terms of housing retention and other outcomes for homeless people with complex support needs has not been tested fully. Rigorous assessment of the extent to which the model mitigates stigma, promotes community integration, avoids institutionalisation and so on would be invaluable — and arguably essential in light of its rapid expansion in other countries.\(^{16}\)

They noted that it was actually the scattered-site ‘Housing First’ model that had received robust evaluations. It was also noted by Parsell, Fitzpatrick and Busch-Geertsema that ‘a range of concerns have been raised with respect to the “institutionalising” tendencies of congregate settings’.\(^{17}\)

On the other hand, Parsell, Petersen, Moutou, Culhane, Lucio, and Dick, in an unpublished report on Brisbane Common Ground, found that:

\(^{15}\) C. Parsell, Presentation Notes to TAS Shelter, 20 November 2015, Institute of Social Science Research, University of Queensland, 2015.


Chapter 1: Was CGT effective?

Compared to the costs to the Queensland Government of a person being chronically homeless for twelve months, a twelve-month tenancy at Brisbane Common Ground achieves a tenant reducing their annual use of Queensland Government services — including the cost of providing Brisbane Common Ground — by $13,100. 18 19

In any case, lack of evidence of effectiveness is not the same as evidence of ineffectiveness. Regardless of any lack of specific evidential support for the Common Ground model, we think it reasonable to assume that it shares in at least some of the positive outcomes of supportive housing identified by research, as it shares most of its features.

Undoubtedly, there are some homeless people not well suited to tenancy and recovery in an institutional setting. In some cases that may be because they would not fit in while others might be at risk of becoming unnecessarily institutionalised. At the same time, it seems inevitable that there will be others that benefit from the support of others around them and who would make better progress in a congregate-site community.

We believe that continuing with the Common Ground model is not inconsistent with research evidence.

**Section 1.3 conclusion**

We concluded that there was evidence for the Common Ground model of supportive housing.

Research strongly supported supportive housing, particularly where housing was provided in scattered sites with outreach support. There was less but still some support (because of lack of research rather than mixed results) for the Common Ground congregate site model.

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19 One argument sometimes made for analyses that estimate cost savings from demand reduction is that they tend to overstate the savings. This is because most of the cost of providing those services is in making the system and resources available, and that having a ‘few’ less people accessing the services saves little. We would argue that such a viewpoint is short-sighted since in the long run the system efficiently adapts to multiple demand factors.

It can equally be argued that focusing on cost savings to governments understates the value from reducing demand for services because it ignores the value to the beneficiaries from improved quality of life.
1.4 Had CGT demonstrated better outcomes than other SAFs?

Our hope in undertaking this work was that we could find some measure that would allow us to compare the outcomes of CGT and the Northern SAFs, to determine whether the CGT model was producing better outcomes. It became apparent that this could not be done, even approximately, for the following reasons:

1. The fundamental problem in measuring performance is to measure what was done in comparison to what should have been done. However, for SAFs, every client is different, with different problems, learning capacities and upper limits. For one client a good outcome might be merely to sustain his or her tenancy while another client might have excellent prospects of moving on to unsupported accommodation.

2. Evaluations of what can be done and what has been achieved so far are necessarily subjective, relying on the evaluations of the organisations whose performance we are trying to measure.

3. Even if the available measures were capable of comparing outcomes of SAFs, the small number and diversity of tenants and the short time that the SAFs have been operating would make the comparison unreliable.

For all that, there are various indicators used by AIHW and HT, including:

- proportion of care plan achieved
- length of tenure
- number of people exiting back into homelessness
- proportion of clients reuniting with their families
- proportion of clients engaged in employment, education and training.

These are all useful indicators, capable of helping SAFs to improve their practices. They are even capable of collectively assessing whether an SAF is doing useful work, as we have done for CGT in Section 1.2.

In fact, our review of reports provided (AIHW 2015, KPI 2015, UTAS 2014) overwhelmingly indicated that both CGT and the Northern SAFs were doing good work, which was leading to sustained tenancies, few returns to homelessness, improved living skills, engagement in education and employment,
Chapter 1: Was CGT effective?

reunification with families and successful exits to unsupported accommodation.

As discussed in Section 1.2, we had reservations about some of the performance information available. We thought it would be surprising if reports were anything other than positive because of the subjectivity of the assessments, contrast with tenants’ previous lifestyles and the lack of benchmarks.

This is not to say that good work was not being done. Our assessment based on status reports for individual CGT tenants left us with no doubt that new tenants had real problems, that their needs had been recognised, support and professional services had been provided, tenants had been well monitored and good outcomes had been achieved.

We think it highly probable the same would be true of the Northern SAFs. Our point is merely that none of the performance information was capable of comparing the performance of CGT with the Northern SAFs. We noted that the Affordable Housing Strategy had committed to moving to outcomes based funding and reporting. The intention was to better align outcome reporting across various services and models enable comparable reporting.

Our opinion is that it was not possible using information currently available to reliably compare outcomes of CGT against other SAFs.

Section 1.4 conclusion
Evidence was insufficient to form a conclusion as to whether CGT had demonstrated better outcomes than other SAFs.

1.5 Was CGT delivering a service otherwise not provided?

In this Section, we consider whether CGT was providing a service that might otherwise not be provided. We considered that question from the perspective of whether:

- the CGT model was unique
- CGT was accepting and keeping the most vulnerable and chronically homeless people.

1.5.1 Uniqueness of model

A key element of NPAH was recognition that homeless people had needs that could not be met by merely providing housing. The five SAFs were funded and built to satisfy the objectives of the NPAH, and all provide both accommodation and support.

The SAFs have been broadly classified as 'Housing First' services, which attempt to address homelessness by providing
rapid access to permanent housing, usually in scattered sites. Support needs are met over time through integrated and community-based support. There was no requirement for a potential tenant to be debt or drug-free or ‘housing ready’. The Housing First model contrasts with the continuum of care model which offers a range of services organised to elevate clients out of their initially poor situation by providing treatments as clients move progressively through emergency, temporary and permanent housing.

CGT seeks to solve homelessness through the provision of housing in conjunction with access to appropriate support services. It differs from the Housing First model in that it is a congregative site facility. This leads to some distinct differences, for example: support is available onsite, it is easier to keep tenants safe and secure, and some screening is necessary to ensure incoming tenants will not unduly disrupt the tenant community.

The Common Ground model features:

- high quality, affordable self-contained units in a congregative setting
- communal facilities
- permanent tenancy
- a safe, secure environment
- on-site support services
- STs pay only 25–30 per cent of their income in rent, which helps them to become more independent
- diverse social mix to facilitate social inclusion and develop a sustainable community.

The Northern SAFs also had all of these features, although there were probably minor differences in the service models. Even the diverse social mix was achieved with a mix of low, medium and high need tenants, as well as up to 40 per cent of independent tenants.

In the Hobart area, other than CGT, tenure-neutral support was provided to people in need, through the Housing Connect service.

Another form of supported accommodation in Hobart was supported residential facilities (SRFs). These provide communal, long term accommodation, with full board calculated at 85 per cent of people’s income.
In addition, a new congregate-site facility in North Hobart had recently been completed and was in the process of being occupied in January 2016. The facility was intended to provide supported youth accommodation.

So, while we were not persuaded that CGT had a significantly different model from the Northern SAFs, there was no other comparable facility in Hobart at the time of our review.

1.5.2 Taking the most vulnerable

The Common Ground model was specifically designed to accommodate, in a carefully managed environment, people who had been chronically homeless. A particular feature of the model was identification of the most vulnerable and at-risk homeless individuals for housing. Housing was targeted at the most vulnerable homeless individuals, particularly those who had established life on the streets and those who had debilitating medical and mental health conditions.

We reviewed the AIHW 2015 reports for evidence that CGT was targeting the most vulnerable people and found that 68 per cent of STs in 2014–15 had been homeless just prior to entering CGT. We also noted from TOI 2015 that prior to entering CGT:

- half of the interviewed STs had been homeless for five years or longer
- 10 per cent had been homeless for 20 years or longer
- 23 per cent had never had stable housing.

Furthermore, CGT’s internal Tenant Support Needs Summary showed that almost all STs had support needs associated with mental health, substance abuse and physical health.

As discussed in Section 1.2.2, there had been some concern in the homelessness sector that CGT was not allocating properties to the intended target group and screened out many of the most difficult cases for whom ‘... the facilities were purpose-built’.

We were satisfied that the CGT policy of rejecting people who would not be suitable for communal living was reasonable and necessary. We also noted that the UTAS 2014 report commented on improvements in collaboration between CGT and Housing Connect in the tenant allocation process which were viewed positively by the wider homelessness community.

In any event, notwithstanding those concerns, we were satisfied that CGT was focusing on housing the chronically homeless and most vulnerable.
Section 1.5 conclusion

CGT was delivering a service otherwise not provided in that:
- its STs included a high proportion of previously homeless people
- at the time of our review it was the only provider of supportive congregate-site accommodation to adults in the greater Hobart area.

1.6 Conclusion

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.
2 Was CGT funding excessive?
2 Was CGT funding excessive?

2.1 Background

We examined whether:

- CGT funding per ST was comparable with that of other SAFs
- CGT was sustainable at current funding levels
- another operator would require less funding.

2.2 Was CGT funding per ST comparable with that of other SAFs?

The funding to CGT (2014–15) involved two components totalling $671,641, consisting of:

- cash $538,975\(^{20}\)
- use of car park and retention of net revenue $132,616 (revenue $214,616 less costs $82,000).

The CGT model involves a mix of STs and AHTs. However, the HT funding was provided only on behalf of STs.

The funding to the Northern SAFs (Grove House, Thistle Street and Thyne House) in 2014–15 was $310,041.

Prior to this review, HT had performed an internal comparison of CGT costs with those of the Northern SAFs on the basis of funding per supported client and funding per support day. That analysis used data from the AIHW Statistical Summary extracted from information provided by the various SAFs.

Our initial intention was to follow the same approach, however we noted that just 45 per cent of CGT’s tenants were included in AIHW 2015’s supported clients, compared to 84 per cent of Northern SAF tenants. A similar disparity existed with AIHW 2015’s support days, which showed CGT providing on average 163 support days per tenant, compared to 317 for the Northern SAFs. A key difference was that:

- CGT tenants included both STs (45 per cent) and AHTs (55 per cent), but AIHW statistics appeared to include only (or mostly) STs

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\(^{20}\) This was reduced in 2015-16 to $440,000 p.a.
• Northern SAF tenants were not classified as STs or AHTs, but they also had tenants classified as independent, who appear to be included in the AIHW statistics.

On further analysis, we concluded that the distribution of need throughout the Northern SAFs was probably fairly similar to the CGT distribution. For instance, analysis of AIHW 2015 data showed that a much higher proportion of CGT tenants had been homeless one month prior to commencing supportive housing than the Northern SAFs.

Accordingly, we rejected use of the AIHW statistics as a basis for comparison of funding since the differences in number of clients and support days appeared to be due to differences in interpretation by individual SAFs of what data should be entered. Instead, we devised our own approach based on support needs, (as identified in KPI reports), allocating points for each tenant’s support needs as high need (3 points), medium need (2 points) and low need (1 point).

An additional concern was that Thyne House in Launceston operated quite differently from the other SAFs in that it was a youth facility and offered only medium-term supported accommodation. Accordingly we chose to exclude Thyne House from our comparison. That created the difficulty of excluding the Thyne House portion of the funding from our analysis since HT provided funding of a single amount for the three Anglicare SAFs. We did so, on the assumption that funding was distributed on a per-tenant basis.

Table 2 shows our calculation of what we consider a reasonable measure for comparison: Funding per Equivalent Medium Need Tenant (FEMNT).
Table 2: Support needs at CGT and Northern SAFs at June 2015

<table>
<thead>
<tr>
<th>Level of support needed</th>
<th>Northern SAFs excl. Thyne House (Tenants)</th>
<th>CGT (Tenants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (3 points)</td>
<td>5</td>
<td>21</td>
</tr>
<tr>
<td>Medium (2 points)</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Low (1 point)</td>
<td>16</td>
<td>22</td>
</tr>
<tr>
<td>Independent (0 points)</td>
<td>13</td>
<td>40(^{21})</td>
</tr>
<tr>
<td><strong>Total support points</strong></td>
<td><strong>41</strong></td>
<td><strong>113</strong></td>
</tr>
<tr>
<td><em>(Tenants multiplied by points for all categories)</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equivalent medium need tenants</strong></td>
<td><strong>20.5</strong></td>
<td><strong>56.5</strong></td>
</tr>
<tr>
<td><strong>Funding(^{22})</strong></td>
<td><strong>$175,241</strong></td>
<td><strong>$671,641</strong></td>
</tr>
<tr>
<td><strong>Funding per medium need tenant (FEMNT)</strong></td>
<td><strong>$8548</strong></td>
<td><strong>$11,887</strong></td>
</tr>
</tbody>
</table>

Our estimated FEMNTs showed that based on 2014–15 funding, CGT was 39 per cent more expensive than the Northern SAFs.

We also noted that the difference would be reduced to 19 per cent if we had performed the same analysis using 2015–16 funding.

We considered the differences to be reasonable, taking into account the likelihood that some of the funding gap related to location, building design\(^{23}\) and service model factors.

\(^{21}\) At June 2015, there were 53 AHTs at CGT; however, internal documents show that 13 of them were classified as having low support needs.

\(^{22}\) Funding for Northern SAFs of $175,241 was calculated based on proportion of Northern tenants in Thistle Street or Grove House SAFs (39 of 69) multiplied by total funding of $310,041.

\(^{23}\) CGT advised that it considered the two sites provided to be “a sub-optimal operating arrangement that has an ongoing operating cost impact.”
Section 2.2 conclusion
The CGT funding per ST was more expensive, but not unreasonably so, compared to other Tasmanian SAFs.

Recommendation 2
We recommend that HT 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.

2.3 Is CGT sustainable at current funding levels?
The 2014–15 funding, including car park net revenue, was $671 641. With that funding, CGT made a loss of $121 770, representing 6.2 per cent of its total expenditure.

Review of the 2014–15 financial statements and CGT business plan, as well as discussions with CGT identified possible and likely cost savings and increases as shown below.

We categorised CGT expenditures as:

- **Building related expenses**: costs associated with the CGT buildings that are largely or completely uncontrollable by CGT. These included facility management fees, council rates, building insurance, electricity and cleaning. Although the costs are unavoidable and largely irreducible, we note that a renegotiation of required overnight security was expected to lead to savings of $100 000. We also think savings may be possible in repairs and maintenance which had increased from $55 000 in 2013–14 to $104 000 in 2014–15.

- **Salaries and wages**: employees consisted of a CEO, an administrative assistant, two managers (one with a major support role) and support staff. We consider there was little scope to reduce funding in this area, with the support role in particular at an appropriate level, but noted that the CGT business plan foreshadowed reduction in staffing through natural attrition.

- **Other expenses**: this category included rent of administrative office, printing and stationery, insurance, consumables, electricity, professional accounting and payroll services and other items. CGT had identified professional accounting and payroll services as a possible area of savings, but otherwise, costs appeared reasonable
and we could see little opportunity for substantial savings.

Figure 1 summarises our categorisation of expenses.

**Figure 1: Expense categories at CGT**

In summary, there were few opportunities for future reductions in expenditure.

On the other hand, funding was to be reduced to $440 000 from 2015–16. We were also advised of a projected increase of $70 000 in Facility Management Costs as facility management contracts come up for renewal. There may also be a reduction in rent revenue with CGT increasing the proportion of STs compared to the full fee paying AHTs.

Overall, there seems little doubt that CGT’s budget position will remain difficult, for the foreseeable future and that CGT will remain dependent on donations and funding from HT at current levels. Ultimately, the decision to continue to fund CGT is one for government, but there seems little point agreeing to fund CGT, but doing so at a level that leaves CGT unsustainable.
Section 2.3 conclusion
CGT was just sustainable at 2015–16 funding levels but will need to continue to actively search for cost savings.

Recommendation 3
We recommend that HT 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.

2.4 Would another operator require less funding?

As discussed in Section 2.2, CGT appeared to be more costly per supported tenant (although not unreasonably so). However, we did not consider that to be a persuasive argument that CGT expenses could be lower for two reasons:

- We did not have access to detailed cost information for the Northern SAFs in order to form a view as to whether those lower costs would be transferrable to the CGT sites in Hobart.
- As discussed in Section 2.3, CGT expenses appeared reasonable and offered little possibility for substantial reduction by another operator.

That said, the ultimate test is whether another operator is prepared to provide the same service at a lower cost, which could be ascertained using a tender process or by the rigorous three-yearly review of all costs referred to earlier.

Section 2.4 conclusion
We were not persuaded on evidence available that another operator could provide equivalent supportive housing at a substantially lower level of funding.

2.5 Conclusion

Our opinion was that:

- CGT’s funding per ST was more expensive, but not unreasonably so, than other 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.
Recent reports
# Recent reports

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<thead>
<tr>
<th>Tabled</th>
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<th>Title</th>
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<td>Feb</td>
<td>No. 7 of 2014–15</td>
<td>Financial Statements of State entities, Volume 4 — Local Government Authorities, Joint Authorities and Tasmanian Water and Sewerage Corporation Pty Ltd 2013-14</td>
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<td>Mar</td>
<td>No. 8 of 2014–15</td>
<td>Security of information and communications technology (ICT) infrastructure</td>
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<td>Mar</td>
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<td>Tasmanian Museum and Art Gallery: compliance with the National Standards for Australian Museums and Galleries</td>
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<td>May</td>
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<td>Financial Statements of State entities, Volume 5 — State entities 30 June and 31 December 2014, findings relating to 2013–14 audits and other matters</td>
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<td>No. 4 of 2015–16</td>
<td>Follow up of four reports published since June 2011</td>
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<tr>
<td>February</td>
<td>No. 8 of 2015–16</td>
<td>Provision of social housing</td>
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Current projects
Current projects

The table below contains details of performance and compliance audits that the Auditor-General was conducting and relates them to the *Annual Plan of Work 2015–16* that is available on our website.

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<thead>
<tr>
<th>Title</th>
<th>Audit objective is to...</th>
<th>Annual Plan of Work 2015–16 reference</th>
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<td><strong>Tasmanian Forests Intergovernmental Agreement</strong></td>
<td>... assess the effectiveness of the state’s administration of projects listed for implementation by the Tasmanian Government, under the Tasmanian Forests Intergovernmental Agreement 2011 and 2013.</td>
<td>Page 19 Topic No. 1</td>
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<tr>
<td><strong>Compliance with legislation</strong></td>
<td>... to test whether responsible agencies have implemented procedures to address statutory requirements of a sample of Tasmanian legislation.</td>
<td>Page 19 Topic No. 3</td>
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<td><strong>Management of national parks</strong></td>
<td>... form an opinion on how effectively the Parks and Wildlife Service manage the state’s national parks by reference to the adequacy of planning processes and planning implementation.</td>
<td>Page 21 Topic No. 7</td>
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<tr>
<td><strong>Government support for sporting and other events</strong></td>
<td>... to express an opinion on whether supported events are cost effective for Tasmania and funded in accordance with applicable government policy.</td>
<td>Page 21 Topic No. 1 (2016–17)</td>
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AUDIT MANDATE AND STANDARDS APPLIED

Mandate
Section 17(1) of the Audit Act 2008 states that:

‘An accountable authority other than the Auditor-General, as soon as possible and within 45 days after the end of each financial year, is to prepare and forward to the Auditor-General a copy of the financial statements for that financial year which are complete in all material respects.’

Under the provisions of section 18, the Auditor-General:

‘(1) is to audit the financial statements and any other information submitted by a State entity or an audited subsidiary of a State entity under section 17(1).’

Under the provisions of section 19, the Auditor-General:

‘(1) is to prepare and sign an opinion on an audit carried out under section 18(1) in accordance with requirements determined by the Australian Auditing and Assurance Standards

(2) is to provide the opinion prepared and signed under subsection (1), and any formal communication of audit findings that is required to be prepared in accordance with the Australian Auditing and Assurance Standards, to the State entity’s appropriate Minister and provide a copy to the relevant accountable authority.’

Standards Applied
Section 31 specifies that:

‘The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –

(a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and

(b) the Australian Auditing and Assurance Standards.’

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.
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