REVIEW OF AUDITOR-GENERAL'S REPORT NO. 4 OF 2013: *NATIONAL PARTNERSHIP AGREEMENT ON HOMELESSNESS*

STANDING COMMITTEE ON PUBLIC ACCOUNTS

OCTOBER 2015

REPORT 16

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Dr Andréa Cullen AGIA ACIS	Secretary
Dr Brian Lloyd	Assisting Secretary
Ms Kate Harkins	Assisting Secretary
Mr Greg Hall	Research Officer

CONTACT INFORMATION

Telephone	02 6205 0142
Facsimile	02 6205 0432
Post	GPO Box 1020, CANBERRA ACT 2601
Email	committees@parliament.act.gov.au
Website	www.parliament.act.gov.au

RESOLUTION OF APPOINTMENT

The Legislative Assembly for the ACT appointed the Standing Committee on Public Accounts on 27 November 2012.

Specifically the resolution of 27 November 2012 establishing the Standing Committees of the 8th Assembly, as it relates to the Public Accounts Committee states:

(1) The following general purpose standing committees be established and each committee inquire into and report on matters referred to it by the Assembly or matters that are considered by the committee to be of concern to the community:

(a) a Standing Committee on Public Accounts to:

(i) examine:

(A) the accounts of the receipts and expenditure of the Australian Capital Territory and its authorities; and

(B) all reports of the Auditor-General which have been presented to the Assembly;

(ii) report to the Assembly any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed;

(iii) inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question; and

(iv) examine matters relating to economic and business development, small business, tourism, market and regulatory reform, public sector management, taxation and revenue;[1]

TERMS OF REFERENCE

The Committee's terms of reference were to examine the Audit report and report to the Legislative Assembly.

[1] Legislative Assembly for the ACT, *Minutes of Proceedings*, No. 2, 27 November 2012, pp. 24–27.

TABLE OF CONTENTS

Committee membership i
Secretariat i
Contact information i
Resolution of appointment ii
Terms of reference ii

RECOMMENDATIONS v

1 INTRODUCTION AND CONDUCT OF INQUIRY 1
Terms of reference 1
Conduct of Inquiry 1
Structure of the Report 2
Acknowledgements 3

2 AUDIT BACKGROUND AND FINDINGS 5
Audit background and objectives 5
Audit conclusions 5
Audit findings 6
Audit recommendations 12
Government response to recommendations 13

3 THE NATIONAL PARTNERSHIP AGREEMENT ON HOMELESSNESS 15

4 THE AUDITOR-GENERAL 19
Introduction 19
Matters considered 19
Other matters 23

5 MINISTER FOR HOUSING 25
Introduction 25
Matters considered 25
Other matters 32

6 VIEWS OF SUBMITTERS 35
Introduction 35

Common themes 35

7 VIEWS OF WITNESSES 47

8 COMMITTEE COMMENT 61

Defining homelessness 62

Policies and programs targeting homelessness 63

Measuring and evaluating effectiveness 64

Affordable housing 67

9 CONCLUSION 71

APPENDIX A COMMITTEE PUBLIC HEARINGS 73

APPENDIX B LIST OF WRITTEN SUBMISSIONS 75

RECOMMENDATIONS

RECOMMENDATION 1

8.31 The Committee recommends that the ACT Government should design and implement a homelessness framework which provides for:

- **evidence-based design and development of indicators;**
- **consistent standards in measuring against those indicators;**
- **their use among government and non-government agencies engaged in delivering programs;**
- **the integration of these indicators from program inception; and**
- **measurement against these indicators from the time of program rollout.**

RECOMMENDATION 2

8.32 The Committee recommends that the ACT Government, unless extraordinary circumstances prevail, refrain from changing parameters part way through projects to ensure consistent reporting and acquittal processes are used to prevent poor value for money outcomes.

RECOMMENDATION 3

8.33 The Committee recommends that the ACT Government model for, and require of, its third party program providers:

- **a consistent and meaningful practice of acquittal for program funds; and**
- **consistent use of written contracts to support all contracting and sub-contracting under programs in receipt of public monies.**

RECOMMENDATION 4

8.34 The Committee recommends that the ACT Government, in its role as contract manager, enforce service funding agreements more closely to ensure timely and responsive reporting and acquittal from other parties, or if overtime, ensure reasons and discussions on next steps are clearly documented.

RECOMMENDATION 5

8.35 The Committee recommends that the ACT Government provide an update to the Assembly on progress in making legislative amendments to the *Associations Incorporation Act 1991* reflected in contract management practice.

RECOMMENDATION 6

8.36 The Committee recommends that funding arrangements include more performance indicators relating to measuring success of programs, not solely contractual compliance.

RECOMMENDATION 7

8.37 The Committee recommends that the ACT Government focus on establishing consistent, streamlined processes to report on actual expenditure and budget and ensure that reporting to the Commonwealth is consistent with that.

RECOMMENDATION 8

8.51 The Committee recommends that the ACT Government, in recognition of the relationship between homelessness and housing affordability, further exercise its discretion over land release and planning as part of its response to homelessness.

RECOMMENDATION 9

8.52 The Committee recommends that the ACT Government make representations in inter-governmental forums, such as those provided under the Council of Australian Governments (COAG), that present arrangements providing for negative gearing be considered so as to improve housing affordability.

RECOMMENDATION 10

8.53 The Committee recommends that the ACT Government assess progress against headline goals and interim goals as set out in the Commonwealth Government white paper *The Road Home: A National Approach to Reducing Homelessness* and advise the Assembly of progress against those goals.

1 INTRODUCTION AND CONDUCT OF INQUIRY

1.1 Auditor-General's Report No. 4 of 2013*: National Partnership Agreement on Homelessness* (the Audit report) was presented to the Legislative Assembly on 19 June 2013.

1.2 In accordance with the resolution of appointment[2] of the Standing Committee on Public Accounts (the Committee), the Audit report was referred to the Committee for examination.

1.3 The Audit report presented the results of a performance audit that:

> ...reviewed the ACT Government's implementation of selected programs and initiatives under the *National Partnership Agreement on Homelessness*.[3]

1.4 In conducting the Audit, the Audit Office focused on three programs —A Place to Call Home; Our Place; and the Mental Health Housing and Support Initiative. These programs accounted for about 60 per cent of all funds spent in the ACT under the *National Partnership Agreement on Homelessness*.[4]

TERMS OF REFERENCE

1.5 Whilst the Committee's terms of reference were to examine the Audit report and report to the Legislative Assembly—the Committee resolved[5] to focus on the following matters:

- measuring the success/effectiveness of policies and programs targeting homelessness;
- progress on implementation of Audit report recommendations as agreed by the Government; and
- any other relevant matter.

CONDUCT OF INQUIRY

1.6 On 11 October 2013 the Committee received a submission[6] from the Government in relation to the findings of the Audit report. The Government submission can be downloaded from the Committee's website.

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[2] Legislative Assembly for the ACT, *Debates*, 27 November 2012, p.46.

[3] ACT Auditor-General's Report No. 4 of 2013: *National Partnership Agreement on Homelessness*, June 2013, p. 1.

[4] ACT Auditor-General's Report No. 4 of 2013: *National Partnership Agreement on Homelessness*, June 2013, pp. 1; 2.

[5] 12 March 2014

[6] Pursuant to the *Government Guidelines for responding to reports of the Auditor-General* (November 2009) in force—October 2013.

1.7 On 15 October 2013 the Committee received a briefing from the Auditor-General in relation to the Audit report.

1.8 As noted earlier, under its resolution of appointment, the Committee examines all reports of the Auditor-General which have been presented to the Legislative Assembly. Specifically, its resolution of appointment requires the Committee to 'inquire into and report' on all reports of the Auditor-General which have been presented to the Assembly. The Committee has established procedures for its examination of these reports pursuant to the Assembly resolution.[7]

1.9 In accordance with these procedures, the Committee resolved on 12 March 2014 to inquire further into the Audit report.

1.10 The Committee met on and discussed the Chair's draft report which was adopted on13 October 2015.

STRUCTURE OF THE REPORT

1.11 The Committee's report is divided into four parts, comprising nine chapters:

Part 1—Context to the Inquiry

- Chapter 1—Introduction and conduct of Inquiry
- Chapter 2—Audit background and findings
- Chapter 3—The National Partnership Agreement on Homelessness

Part 2—Views from the Auditor-General and ACT Government

- Chapter 4—ACT Auditor-General
- Chapter 5—Minister for Housing

Part 3—Views from the ACT Community

- Chapter 6—Views from submitters
- Chapter 7—Views from witnesses

Part 4—Views of the Committee

- Chapter 8—Committee comment
- Chapter 9—Conclusion

[7] http://www.parliament.act.gov.au/in-committees/standing_committees/Public-Accounts/pac/referral

ACKNOWLEDGEMENTS

1.12 The Committee thanks all those who contributed to its Inquiry by making a submission, providing additional information or appearing before it to give evidence.

2 AUDIT BACKGROUND AND FINDINGS

2.1 This chapter presents an overview of the background to, and key findings of, the Audit.

AUDIT BACKGROUND AND OBJECTIVES

2.2 The objective of the Audit was:

- to provide an independent opinion to the Legislative Assembly on whether:
- the ACT Government is meeting its obligations under the National Partnership Agreement on Homelessness; and
- this is making a difference to homeless people.[8]

AUDIT CONCLUSIONS

2.3 The audit conclusions, as presented in the Audit report, are as follows:

> There is no agreed international definition of homelessness and this impedes monitoring, making comparisons and facilitating community understanding on progress. Furthermore, there have been changes in the definitions of homelessness and therefore the methods for collecting data have changed. This presents the risk that comparisons made between years may result in inaccurate conclusions and the community being misinformed. According to the Australian Bureau of Statistics, there are fundamental difficulties in defining homelessness and describing the characteristics of people who might be considered homeless.
>
> The Australian Bureau of Statistics' cultural definition of homelessness was adopted by the *National Partnership Agreement on Homelessness*. In 2012 the Australian Bureau of Statistics developed a new definition of homelessness, which has a very broad scope, and which has contributed to an overall increase in persons in the ACT counted as homeless through the census.
>
> The ACT Government is generally meeting its obligations under the *National Partnership Agreement on Homelessness* with respect to:
>
> - A Place to Call Home Program;
> - Our Place Program; and
> - Housing and Support Initiative.

[8] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 2.

Several targets have not only been met but exceeded. The Community Services Directorate however, needs to make improvements with respect to its processes for managing National Partnership Agreement funds, identifying and reporting against performance indicators for the A Place to Call Home Program and the Housing and Support Initiative, and managing service providers.

While program targets have been achieved, these are primarily about undertaking specific actions and deliverables, rather than being measures of overall success. Other Auditors-General have reported a lack of such measures which means the achievements of the *National Partnership Agreement on Homelessness* are not able to be fully demonstrated. Accordingly, it is not possible to determine the actual overall effect of the programs on rates of homelessness in the ACT community. Furthermore, homelessness in the ACT is influenced by a range of factors including, for example, housing affordability. People are likely to remain in homelessness programs and initiatives longer if housing affordability is a problem.[9]

AUDIT FINDINGS

2.4 The Audit provided key findings to support its conclusions. The main elements of these findings—across four audit themes—are reproduced below.

THE NATIONAL PARTNERSHIP AGREEMENT ON HOMELESSNESS

2.5 The Audit found that different definitions of homelessness have been used in Australia. The *cultural definition* of homelessness used by the Australian Bureau of Statistics (ABS) was adopted by the NPAH. According to this definition, there are three categories of homelessness: primary homelessness (people without conventional accommodation); secondary homelessness (people staying in emergency or transitional accommodation and people residing temporarily with other households); and tertiary homelessness (people living in boarding houses on a medium to long term basis for over 12 weeks.)[10]

2.6 The Audit also found that the ABS adopted a revised definition of homelessness in 2012. According to this definition, a person is homeless if their current living arrangement:

- is in a dwelling that is inadequate; or
- has no tenure, or if their initial tenure is short and not extendable; or
- does not allow them to have control of, and access to space for social relations.[11]

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[9] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 2; 3.
[10] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p.15.
[11] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 15; 16.

2.7 According to the Audit report, the most recent definition is broad in scope and the ACT Government has indicated that using the more recent definition has significantly increased the number of people who are counted as homeless in the ACT.[12]

2.8 The Audit report noted that care must be taken when interpreting data on homelessness as different definitions of homelessness are used. According to the Audit—'The lack of a consistent definition is an impediment to monitoring homelessness and restricts the community in understanding whether progress is actually being achieved.'[13]

2.9 The Audit found that care should also be taken when interpreting counts of homeless persons over time. It found that the number of people counted as homeless in the ACT on Census night increased from 949 in 2006 to 1 785 in 2011 —an increase of 88 per cent—and that changes in the definition of homelessness used by the ABS for each Census collection contributed significantly to the increase.[14]

2.10 The Audit also found that 'the ACT provides a significant level of support to homeless people, when compared to other Australian jurisdictions.'[15]

2.11 It was found that homelessness in the ACT is impacted 'by a wide range of factors and issues including, for example, housing affordability.'[16]

2.12 According to the Audit report, the Commonwealth Government issued a White Paper in 2008 titled *The Road Home: A National Approach to Reducing Homelessness*[17] and this led to the development of both the National Affordable Housing Agreement (NAHA) and the National Partnership Agreement on Homelessness (NPAH).[18]

2.13 The Audit found that the NPAH, which is a component of the NAHA, received $1.1 billion in funding for all states and territories from 2008-13. The NPAH commenced on 1 July 2009 and was originally expected to end on 30 June 2013, but this was extended until 30 June 2014.[19] In the ACT, both the Commonwealth Government and the ACT Government contribute funds for the NPAH. While some NPAH programs are funded jointly, others are funded solely by either the Commonwealth or ACT Government. A total of $20.81 million in funds was provided for the NPAH in the ACT from 2008-09 to 2012-13.[20]

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[12] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 16.
[13] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 17.
[14] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 17; 18.
[15] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 19.
[16] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 19.
[17] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 20.
[18] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 21.
[19] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 21.
[20] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 23; 24.

A PLACE TO CALL HOME PROGRAM

2.14 The Audit found that *A Place to Call Home* received funding of $10 million under the NPAH — which is about 48 per cent of overall initial funding under the NPAH in the ACT.[21]

2.15 The Audit report found that the Program provided for the construction of 20 dwellings (from 2009-10 to 2012-13) to house homeless ACT families. Program funds are used to buy land; construct dwellings on the land; and for ongoing services by community organisations to support families allocated a dwelling under the Program.[22] Fifty per cent of houses in the Program are for allocation to Indigenous families.[23] It was envisaged that families accommodated through this Program would receive tailored support for twelve months before becoming independent public rental tenants.[24]

2.16 The Audit identified inconsistencies between budgeted, actual and reported expenditure for the Program. Specifically, it found that while $10 million was budgeted for the Program; actual expenditure amounted to $11.8 million (as at 19 December 2012) and reported expenditure was $12.18 million (as at 31 March 2013). The Audit report noted that the use of different financial data from different sources made it difficult to determine accurate actual expenditure on the Program.[25]

2.17 The Audit found:

> There is no single source of information for budgeting arrangements under the A Place to Call Home Program, nor are budgeted funds, actual expenditure and reported expenditure periodically reconciled...This impairs transparency and accountability for the delivery of the program.[26]

2.18 According to the Audit report, the Community Services Directorate advised that the use of existing public housing stock to house program participants contributed to the variance in the financial data.[27]

2.19 The Audit also found that additional tenancy management funds made available through the Program were not specifically acquitted by community service providers. Since reporting provided to the Community Services Directorate by community bodies covers a range of programs and services delivered, 'it would be difficult to track individual program funding.'[28]

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[21] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 27; 29.
[22] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p.29.
[23] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 30.
[24] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 30.
[25] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 31.
[26] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 32.
[27] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 32.
[28] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 33.

2.20 The ACT Government identified a number of performance indicators and targets for the A Place to Call Home Program. The Audit found that the number of houses to be built under the Program (20) had been achieved; the number of tenancies established in the Program in the three years to 2011-12 (19) exceeded the target of 17; and the target of 50 per cent of properties being allocated to Aboriginal and Torres Strait Islander families had been met in the three years ending 2011-12.[29]

2.21 However, the Audit also found that the key performance indicators changed over the course of the Program and that the indicators removed would have provided useful information about the success of the program.[30] The Audit found that no single data set provides comprehensive information about properties provided through the Program.[31]

2.22 The Audit Office interviewed a number of stakeholders from the homelessness sector and all advised the Program was of value.[32]

OUR PLACE (YOUTH INTEGRATED EDUCATION AND ACCOMMODATION SERVICE) PROGRAM

2.23 The Audit found that through the Our Place Program, accommodation is provided to young people, aged 16 to 25 years, who are homeless or at risk of homelessness. The accommodation available consists of 15 one, two and three bedroom apartments in Canberra's inner north. [33] It also found that the Program provides accommodation on the basis that participants continue to engage in education, training or work. Participants have access to case management, and receive assistance to develop skills to live independently and establish social networks. Assistance is also provided with access to education, training and work as well as outreach services, based on assessment after a participant leaves the Program.[34]

2.24 The Audit report noted that the Community Services Directorate engaged Barnardos Australia to manage the Program. In this role, Barnardos Australia is responsible for providing property and tenancy management; case management; tenancy support; life skills training; information, referral and advocacy; as well as telephone counselling and support. Barnardos Australia entered a sub-contract arrangement with Anglicare ACT to help deliver the Program.[35]

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[29] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 34.
[30] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 35.
[31] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 36.
[32] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 37.
[33] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 41.
[34] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 41.
[35] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 42; 45-46.

2.25 According to the Audit report, the Our Place Program commenced in June 2011 and was funded by the Commonwealth with $1.112 million for the period 2010–11 to 2012–13. The ACT Government also contributed funds totalling $73,785 resulting in a revised budget for the Program of $1.186 million.[36]

2.26 The Audit found that the ACT Government had identified performance indicators and targets for the Our Place Program. The Audit found that the number of participants accommodated and the number engaged in education, training or work consistently exceeded the targets. However, the number of young people exiting the Program is less than expected.[37]

2.27 The Audit report noted that a service funding agreement with Barnardos Australia specified reporting requirements for the Program. The Audit found that Barnardos Australia provided the Community Services Directorate with performance reports, though reports were not provided on time. The first performance report provided by Barnardos Australia was five months late.[38]

2.28 The Audit found that Barnardos Australia provides performance information and financial reports to the Community Services Directorate. However, at the time of the Audit, not all of the funds provided to Barnardos Australia had been acquitted.[39]

2.29 The Audit report outlined how Barnardos Australia engaged Anglicare ACT on a subcontract basis to deliver part of the Program. 'Under the subcontract, Anglicare ACT is required to undertake general program activities, case management, tenancy management and support, collaborative practice, property management, life skills training, information, referral and advocacy and placement panel.'[40] However, Barnardos Australia did not enter into a written contract with Anglicare ACT until about 16 months after Barnardos Australia was engaged by the Community Services Directorate. The Audit report noted that the absence of a written agreement between the parties was not identified until the Audit was conducted and that this was 'a shortcoming in contract management arrangements for the Our Place Program.'[41]

2.30 The Audit found that since the Our Place Program began, at least 20 young people were engaged in the Program and all those who were engaged participated in education, training or work.[42]

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[36] ACT AuditorGeneral's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 43.
[37] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 43; 44.
[38] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 47-48.
[39] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 48-50.
[40] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 50.
[41] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 50.
[42] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 51.

THE HOUSING AND SUPPORT INITIATIVE

2.31 The Audit found that the Housing and Support Initiative (HASI), which was implemented in June 2010, assists people with mental illness by providing 'long-term secure and affordable housing and property and tenancy management services; clinical care and rehabilitation services; and accommodation support and rehabilitation services.'[43] Eligible clients are persons with a severe mental disorder who are aged over 16 years, are eligible for public housing, want to and are able to live independently, and who are not receiving high-level disability support.[44]

2.32 The Audit report found that the Initiative is delivered through a partnership involving the Community Services Directorate (Housing ACT), the Health Directorate (Mental Health, Justice Health and Alcohol and Drugs Services Division), and community service providers.[45] HASI is funded by the Commonwealth Government. Initially $1.216 million was made available for the Initiative but this amount was revised down to $807,527.[46]

2.33 The Audit report found an inconsistency in the budget, actual and reported expenditure for the Initiative.[47] It also found that not all costs associated with the Initiative are covered by NPAH funds. The Audit report found that while the NPAH covers the costs of services provided by community service providers and part of the salary of housing managers, it does not cover the costs of health services delivered by the Health Directorate or the costs involved in coordination of the Initiative.[48]

2.34 The Audit reviewed information on performance indicators and targets for the Initiative. According to the Audit report:

> There is a lack of consistency, completeness and accuracy in the information provided in relation to performance indicators...The Community Services Directorate asserts that some key performance indicators were altered due to a limited ability to accurately capture and report on meaningful data for some outcomes under the program.[49]

2.35 The Audit also noted that the performance indicators identified and reported on differed from those initially anticipated. It was found that the indicators reported on 'do not provide information on the actual success of the Initiative. These measures also lack a precise description of how they are being measured.'[50]

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[43] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 55.
[44] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 63.
[45] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 55.
[46] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 58.
[47] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 58.
[48] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 58.
[49] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 60.
[50] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 60; 61.

2.36 The Audit found that a shortage of housing suitable for client needs led to delays in assisting them as well as initial underspending on the Initiative.[51]

2.37 According to the Audit report, the Community Services Directorate had intended to independently evaluate the Initiative after 12 months of operation, but this did not occur. An internal review of the Initiative had identified a number of indicators of success but this review had not been finalised.[52]

2.38 With regard to the outcomes of the Initiative, the Audit report noted:

> Changes have been made to the targets set for the Housing and Support Initiative. The changes to the targets and supporting method for reporting over time, combined with a lack of specificity, makes it difficult to assess whether the initiative has actually achieved its intent.
>
> While there has not been an overall evaluation of the Housing and Support Initiative it would appear that it has exceeded its anticipated outcome as there are currently 14 people being assisted under the initiative, which represents an additional 4 people as identified in the initial *Implementation Plan*.[53]

AUDIT RECOMMENDATIONS

2.39 The Audit report made 4 recommendations to address the audit findings. The following table reproduces these recommendations in full together with the Government's position on each recommendation.

[51] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 64.
[52] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, pp. 66-67.
[53] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 68.

Table 2.1—Summary of Audit recommendations and Government position

Area of concern	Recommendation	Government position
Financial management	R 1—The Community Services Directorate should improve its processes for coordinating the expenditure of National Partnership Agreement on Homelessness funds to enable accurate recording and reporting of program resources and expenditure. Program resources and expenditure should be periodically reconciled.	Agreed
Contract management	R 2—The Community Services Directorate should improve its contract management of service providers by: a) requiring that a financial acquittal is undertaken for all funds provided to the service provider under the service funding agreement; and b) obtaining and approving documentation associated with any subcontracting arrangements.	Agreed
Financial management —A Place to Call Home and HASI	R3—The Community Services Directorate should review the key performance indicators associated with the A Place to Call Home Program and Housing and Support Initiative, to inform performance indicators for any future or similar programs it manages.	Agreed
Review of HASI	R4—The Community Services Directorate, in consultation with the Health Directorate, should finalise the review of the Housing and Support Initiative.	Agreed

GOVERNMENT RESPONSE TO RECOMMENDATIONS

2.40 The Community Services Directorate agreed with all four Audit recommendations and provided a response to each.

2.41 In its submission on the Auditor-General's report, the Government stated:

> The majority of the recommendations of the Auditor-General's Report agreed to by the Community Services Directorate will be addressed through the existing program of change.
>
> Those recommendations relating to significant changes to contractual reporting requirements will require a longer implementation time and relate directly to work already underway through the Community Sector Reform Project.[54]

[54] Government Submission to the Auditor-General, Auditor-General's Performance Report No 4/2013 – National Partnership Agreement on Homelessness, p. 5.

2.42 Recommendations 1 and 3 concern financial management. In its response to recommendation 1, the ACT Government advised that the 2013–14 NPAH had been signed and that it was 'implementing new resource and expenditure reconciliation measures to ensure ongoing accountability to the Commonwealth Government and the ACT Community.' Measures to be implemented included quarterly reconciliation meetings to ensure 'records of expenditure are consistent across business units'; and that the Housing ACT Capital Committee would have additional oversight.[55]

2.43 As noted, the Government agreed to recommendation 3. It advised that the Community Services Directorate 'is committed to improving service delivery' and the Directorate would continue 'current review practices to inform future program design and delivery.'[56]

2.44 Recommendation 2, which concerns contract management, has two parts. The Government agreed to both parts of the recommendation. In regards to part a), the Government pointed out that while the Community Services Directorate has financial acquittal processes in place, it was working with the ACT not for profit sector to reduce the reporting burden upon service providers while ensuring appropriate financial accountability. The Government identified four measures to be implemented in response to part a) of this recommendation. These include implementing annual financial reporting processes consistent with the Community Sector Reform Project; incorporating legislative amendment to the *Associations Incorporation Act 1991* into contract management practice; implementing changes to Service Funding Agreements; and monitoring and implementing changes arising from review of procurement, contracting and reporting relationships between the ACT and community sector bodies.[57]

2.45 In response to part b) of Recommendation 2, the Government advised that current subcontracting arrangements will be reviewed to ensure that subcontracted organisations meet contractual requirements; and including revised contractual terms in relation to sub contracting in new Service Funding Agreements from 1 July 2013.[58]

2.46 The Government also agreed with Recommendation 4, indicating it would determine whether an initial evaluation of the program undertaken in 2011 can contribute to the review report. It expressed the view that 'Ongoing evaluation of the program logic will inform future service delivery.'[59]

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[55] Government Submission to the Auditor-General, Auditor-General's Performance Report No 4/2013—National Partnership Agreement on Homelessness, p. 6.

[56] Government Submission to the Auditor-General, Auditor-General's Performance Report No 4/2013—National Partnership Agreement on Homelessness, p. 8.

[57] Government Submission to the Auditor-General, Auditor-General's Performance Report No 4/2013—National Partnership Agreement on Homelessness, p. 7.

[58] Government Submission to the Auditor-General, Auditor-General's Performance Report No 4/2013—National Partnership Agreement on Homelessness, p. 7.

[59] Government Submission to the Auditor-General, Auditor-General's Performance Report No 4/2013—National Partnership Agreement on Homelessness, p. 8.

3 THE NATIONAL PARTNERSHIP AGREEMENT ON HOMELESSNESS

3.1 The National Partnership Agreement on Homelessness (NPAH) is an initiative of the Council of Australian Governments (COAG). It was agreed to in 2009 by the Commonwealth and all States and Territories.

3.2 The NPAH contributes to the National Affordable Housing Agreement (NAHA) Outcome:

> People who are homeless or at risk of homelessness achieve sustainable housing and social inclusion[60]

3.3 The NPAH contributes to the following:

- fewer people will become homeless and fewer of these will sleep rough;
- fewer people will become homeless more than once;
- people at risk of, or experiencing, homelessness will maintain or improve connections with their families and communities, and maintain or improve their education, training or employment participation; and
- people at risk of or experiencing homelessness will be supported by quality services, with improved access to sustainable housing.[61]

3.4 In February 2012, the Auditors-General of each State and Territory agreed to undertake a concurrent performance audit of the NPAH. While Auditors-General adopted a common basis for undertaking the audit, each conducted the audit in their respective jurisdictions. This approach enabled each jurisdiction to focus on their respective needs and priorities.[62]

3.5 During the years 2008–09 to 2012–13, the ACT Government delivered nine different programs and initiatives under the NPAH program.[63] In conducting the Audit, the ACT Audit Office focused on three of these—namely, A Place to Call Home; Our Place; and the Mental Health Housing and Support Initiative.[64]

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[60] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 22.
[61] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 22.
[62] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 1.
[63] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 24.
[64] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 1.

3.6 Post the completion of the Audit, a further one year agreement for 2014–15 in which the Australian Government provided $115 million in funding (matched by the States and Territories) was negotiated.[65] A further extension was announced on 23 March 2015 with the Australian Government providing $230 million (matched by the States and Territories) for services to 30 June 2017. A timeline of the status and iterations of the NPAH since 2008 is set in out in table 3.1.

65 http://www.federalfinancialrelations.gov.au/content/npa/housing/homelessness_2014/national_partnership_2014c.pdf

Table 3.1—Timeline on the status of the National Partnership Agreement on Homelessness

'The Road Home'[66]	On 21 December 2008, the Prime Minister, the Hon Kevin Rudd MP and the Minister for Housing, the Hon Tanya Plibersek MP released the Government's White Paper, 'The Road Home: A National Approach to Reducing Homelessness'. The White Paper outlined a national approach to reduce homelessness to be implanted through 3 main strategies—(1) Turning off the tap—a focus on strategies to prevent those at risk of homelessness from becoming homeless in the first place; (2) Improving and expanding services—improving the service that those experiencing homelessness receive from both mainstream agencies and from agencies that deliver services specifically to homeless people; (3) Breaking the cycle—reducing the proportion of people who experience repeat periods of homelessness. Two headline goals were set—(1) halve overall homelessness by 2020; (2) Offer supported accommodation to all rough sleepers by 2020.
NPAH January 2009—30 June 2013[67]	The National Partnership Agreement on Homelessness (NPAH) was agreed by the Council of Australian Governments (COAG) in November 2008 and commenced in January 2009. It was formulated as one of several Commonwealth and State agreements agreed by COAG in late 2008 that highlighted the importance of addressing homelessness. The NPAH provided for $1.1 billion of Commonwealth, State and Territory resourcing over 4 years, helping to fund new social housing dwellings and specialist homelessness projects across the country. The NPAH clarified that States and Territories were responsible for day to day delivery of services. The NPAH contributes to the National Affordable Housing Agreement (NAHA) outcome, to help: 'people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion'.
COAG 13 April 2012[68]	Following a review of the National Partnership agreement, a revised National Partnership was agreed by COAG at its meeting on 13 April 2012.
NPAH 2013–2014[69]	At the COAG meeting of 16 November 2012, the Australian and State and Territory governments agreed to work on a one-year transitional partnership agreement for 2013-14 while the new long-term agreement was negotiated. The transitional NPAH provided for the continuity of homelessness services, supporting States and Territories to maintain the same level of service delivery as provided under the 2009-13 NPAH. The transitional NPAH provided almost $159 million in Commonwealth funding, matched by jurisdictions. This included approximately $43 million in Commonwealth funding for a Development Fund for capital projects that help people move out of homelessness into safe and sustainable housing. There was also $4 million of Commonwealth funding for research and evaluation projects, which includes funding for a one year extension of the longitudinal study into homelessness, Journeys Home.
NPAH 2014–2015[70]	A further one year agreement in which the Australian Government provides $115 million in funding. States and Territories are required to match this funding, and some may exceed this requirement.
NPAH 2015–2017[71]	A two year extension agreement in which the Australian Government provides $230 million in funding. States and Territories are required to match this funding, and some may exceed this requirement.

66 http://www.aihw.gov.au/homelessness-white-paper-road-home-national-approach-reducing/
67 http://www.federalfinancialrelations.gov.au/content/npa/housing/homelessness_superseded/national_partnership_superseded.pdf
68 http://www.coag.gov.au/node/330
69 http://www.federalfinancialrelations.gov.au/content/npa/housing/homelessness_superseded/national_partnership.pdf
70 http://www.federalfinancialrelations.gov.au/content/npa/housing/homelessness_2014/national_partnership_2014c.pdf

71 https://www.dss.gov.au/housing-support/programmes-services/national-partnership-agreement-on-homelessness

4 THE AUDITOR-GENERAL

INTRODUCTION

4.1 The Committee heard from the Auditor-General and officials on Friday 17 October 2014 regarding the performance audit of the National Partnership Agreement on Homelessness.

MATTERS CONSIDERED

4.2 In her opening statement the Auditor-General outlined the Audit's objectives:

> We focused on two objectives. The first was whether or not the government was meeting its obligation under the national partnership agreement on homelessness; that was in relation to two specific programs and one initiative. Then we also had the objective, which we were not able to achieve, of making a comment on whether the programs and initiative were making a difference for homeless people.[72]

4.3 The Auditor-General explained how performance audits of the NPAH were also undertaken in other jurisdictions and that some common themes emerged in the various audits undertaken across Australia:

> Each state and territory except for New South Wales and South Australia actually did an audit under the national partnership agreement on homelessness. While a common basis for the performance audit was adopted, there was flexibility in how each audit was to be undertaken to recognise jurisdiction-specific needs and priorities. We focused on the initiatives of mental health, housing and support. We also focused on two programs, "a place to call home", and "our place".
>
> Some common themes emerged from the work across the nation on this particular issue. They were three-fold. First, there was a general recognition that programs had been delivered in accordance with agreed jurisdictional implementation plans. Importantly, I think there was a lack of meaningful output and outcome measurements. The fundamental question that we were trying to grapple with in the audit was: is it making a difference? We found we could not quite make a call on that. It was also a problem in many other jurisdictions.

[72] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 2.

> The third issue, which was summarised in our report, was difficulties in demonstrating the contribution towards the overall outcomes from the national program.[73]

4.4 The Auditor-General discussed the conclusion of the audit as outlined in the audit report. Key findings included:

> There is no agreed international definition of homelessness and this impedes monitoring, making comparisons and facilitating community understanding on progress. Furthermore, there have been changes in the definitions of homelessness and therefore the methods for collecting data have changed. This presents the risk that comparisons made between years may result in inaccurate conclusions and the community being misinformed. According to the Australian Bureau of Statistics, there are fundamental difficulties in defining homelessness and describing the characteristics of people who might be considered to be homeless.
>
> The Australian Bureau of Statistics' cultural definition of homelessness was adopted by the *National Partnership Agreement on Homelessness*. In 2012 the Australian Bureau of Statistics developed a new definition of homelessness, which has a very broad scope …
>
> ...this has contributed to an overall increase in persons in the ACT being reported as homeless through the census.[74]

4.5 The Audit also concluded:

> The ACT Government is generally meeting its obligations under the *National Partnership Agreement on Homelessness* with respect to:
>
> - A Place to Call Home Program;
> - Our Place Program—...
> - Housing and Support Initiative.
>
> Several targets have…been…exceeded. The Community Services Directorate however, needs to make improvements with respect to its processes for managing…funds, identifying and reporting against performance indicators for the A Place to Call Home Program and the Housing and Support Initiative, and managing service providers.
>
> While program targets have been achieved, these are primarily about undertaking specific actions and deliverables, rather than being measures of overall success.[75]

4.6 The Audit report found that:

> ...it is not possible to determine the actual overall effect of the programs on rates of homelessness in the ACT community. Furthermore, homelessness in the ACT is

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[73] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 2.
[74] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, pp. 2-3.
[75] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 3.

> influenced by a range of factors including...housing affordability. People are likely to remain in homelessness programs and initiatives longer if housing affordability is a problem.[76]

4.7 The Committee sought to clarify the Auditor-General's views about the importance of the definition of homelessness and was told:

> I will say that the definition is critical. It is beyond important; it is absolutely critical. In terms of us coming up with a definition, I would leave that to people with greater expertise in this area.
>
> ...Whatever definition is adopted nationally or at the ACT level, I would encourage people, while of course giving a macro measure, to be consistent over the years and also have some subcategories that really allow the changes in the different categories to come out.[77]

4.8 The Committee noted the 88 per cent increase in the numbers counted as homeless and asked how much of that increase was due to a definitional change and how much was due to more people who were homelessness. The Auditor-General's view is:

> Primarily it is around the definitional change.[78]

4.9 A member of the Committee stated:

> ...when the 2011 census results were released, and compared and contrasted to the 2006 results, the ABS had actually gone back to the 2006 results and had redone them based on the new definition. So the two census periods were comparable and there was an overall 17 or so per cent increase Australia wide.[79]

4.10 The Committee member suggested that a number of reasons could explain why the count of homeless persons increased significantly—such as the global financial crisis or housing affordability and exits from homelessness.[80]

4.11 During discussion, the Auditor-General explained:

> I did not mean that the definition was all of it; I said it would contribute to a significant amount.[81]

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[76] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 3.
[77] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 4.
[78] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 4.
[79] Ms Nicole Lawder MLA, *Transcript of evidence*, 17 October 2014, p. 5.
[80] Ms Nicole Lawder MLA, *Transcript of evidence*, 17 October 2014, p. 5.
[81] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, pp. 5-6.

4.12 The Committee member argued that 'there was a sharp increase in homelessness' Australia-wide between 2006 and 2011, and that services reported that demand for assistance outstripped supply. It was pointed out that data on unmet need indicated that 49 per cent of people seeking assistance were 'turned away'.[82]

4.13 According to the Auditor-General:

> It is just that, given the definitional change, it is a factor for netting in more people to be reported than what previously would have been reported.[83]

4.14 The Committee asked the Auditor-General whether developing another definition of homelessness would be helpful or whether this would confuse matters more. In response, the Auditor-General expressed the view:

> I would say that if the agency—and I know they are quite a focused agency—could try and foster a better national definition or at least get agreement that it will be consistent for a certain amount of time into the future, that would be an achievement.
>
> ...I think it is an important issue and that it is worth knocking on the door until everybody does settle on one.[84]

4.15 The Committee also asked what more the ACT Government needs to do since it was meeting its requirements under the agreement. The Auditor-General explained that :

> ...what you would expect is a greater consistency between what they report as budget funds, actual expenditure, and that which they report to the commonwealth. You would actually expect that....when those were looked at, many sources of information...had to be collected by the auditors in order to get a simple understanding of what did you have, what did you spend and what did you report. Really, for programs like this, for efficiency, you would expect those pieces of information to all be brought together and somebody to verify, "Yes, this is the budget. Yes, this is what we're spending and, yes, let's report this to the commonwealth."[85]

4.16 In the discussion which followed the Auditor-General added:

> ...it is about the agency not having pieces of information scattered in all different parts that you have to bring together, to actually have it more centralised and checked.[86]

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[82] Ms Nicole Lawder MLA, *Transcript of evidence*, 17 October 2014, p. 6.
[83] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 6.
[84] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 8.
[85] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 9.
[86] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 10.

4.17 The Committee sought views about what would have to happen to enable the overall effect of programs on rates of homelessness in the ACT to be determined. An official from the Audit Office advised:

> At heart, I think an effort on the part of the directorate to conduct a review and evaluation of the programs and the initiatives and to try to ascertain, through that program evaluation, whether that is being met.[87]

4.18 The Committee requested advice about the A Place to Call Home Program which was intended to fund 20 new dwellings but the Community Services Directorate provided dwellings from its existing housing stock. It was explained that the Directorate had reached an agreement with the commonwealth to do so 'in acknowledgment of the importance of people's connection to family and community'.[88]

4.19 The Committee was interested to know whether it would be possible for the Audit Office to follow up its performance audit with a report on housing affordability. The Auditor-General advised that this was possible, but that the Audit Office had a number of competing priorities.[89] The Audit Office also advised that it was currently undertaking an audit of student accommodation at the University of Canberra. Through this project, it was seeking to identify what impact National Rental Affordability Scheme (NRAS) activities are having 'on the provision of housing for students and students' access to affordable housing.'[90]

OTHER MATTERS

4.20 Other matters discussed included:

- changes in categories of homelessness between 2006 and 2011;[91]
- that changes in the definition of homelessness mask information;[92]
- the need for targeted programs;[93]
- that the average period a homeless person is assisted in the ACT is longer than other jurisdictions;[94]
- that the method of collecting data on homelessness remained the same between the 2006 and 2011 Censuses but that the analysis of data changed;[95]

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[87] Mr Brett Stanton, *Transcript of evidence*, 17 October 2014, p. 10.
[88] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 12.
[89] Dr Maxine Cooper, *Transcript of evidence*, 17 October 2014, p. 13.
[90] Mr Brett Stanton, *Transcript of evidence*, 17 October 2014, p. 13.
[91] *Transcript of evidence*, 17 October 2014, p. 4.
[92] *Transcript of evidence*, 17 October 2014, p. 5.
[93] *Transcript of evidence*, 17 October 2014, p. 5.
[94] *Transcript of evidence*, 17 October 2014, p. 6.

- unsatisfactory reporting against outputs;[96]
- difficulties of data reporting for not-for-profit organisations;[97]
- performance audits of the NPAH undertaken in other jurisdictions or not;[98]
- responsibility for measures to demonstrate achievements;[99]
- inconsistencies in reporting;[100]
- the need for CSD and Health to finalise an internal review;[101]
- substitution of 20 new dwellings from existing public rental stock under the A Place to Call Home Program;[102] and
- inconsistencies in the way properties are identified.[103]

[95] *Transcript of evidence*, 17 October 2014, p. 7.
[96] *Transcript of evidence*, 17 October 2014, p. 7.
[97] *Transcript of evidence*, 17 October 2014, p. 8.
[98] *Transcript of evidence*, 17 October 2014, pp. 8-9.
[99] *Transcript of evidence*, 17 October 2014, p. 9.
[100] *Transcript of evidence*, 17 October 2014, p. 10.
[101] *Transcript of evidence*, 17 October 2014, pp. 10-11.
[102] *Transcript of evidence*, 17 October 2014, pp. 11-12.
[103] *Transcript of evidence*, 17 October 2014, p. 12.

5 MINISTER FOR HOUSING

INTRODUCTION

5.1 The Committee heard from the Minister for Housing and Directorate officials on Friday 17 October 2014 to examine matters relating to the Auditor-General's performance audit of the National Partnership Agreement on Homelessness.

MATTERS CONSIDERED

5.2 During discussion, the Committee pointed out that part of the difficulty for the Auditor-General in making her report was that there was not an effective definition of homelessness. It noted that the Auditor-General had suggested that such a definition was critical; that it needed to be consistent; and that there needed to be subcategories in the definition to address the different types of homelessness.[104]

5.3 As a result the Committee enquired whether the ACT Government was working toward a more meaningful and reliable definition.

5.4 In response, the Minister told the Committee:

> Yes. As I understand it, there are a number of different definitions used by a number of different commonwealth agencies. So the ABS definition differs from the AIHW definition, which might well differ from perhaps a common understanding of what is meant by homelessness. I understand that this issue has not just been raised in the ACT. At the most recent census, the 2011 census, where there was a change in the definition of the way the ABS measured homelessness, it created a situation where the focus on definitional questions was sharpened. I understand this is an issue that is concerning a number of jurisdictions and is one that can perhaps best be resolved nationally through a COAG process.[105]

5.5 After further discussion, the Minister added:

> The point has been made—I do not disagree with it—that having multiple definitions is a challenge, so we will see what we can do to resolve it.[106]

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[104] See *Transcript of Evidence*, 17 October 2014, pp.4, 14-15.
[105] Mr Andrew Barr MLA, *Transcript of evidence*, 17 October 2014, p. 15.
[106] Mr Andrew Barr MLA, *Transcript of evidence*, 17 October 2014, p. 15.

5.6 The Committee noted the impact of the absence of a consistent definition of homelessness for reporting by government and service providers.

5.7 In relation to this the Minister told the Committee that:

> ...across all of the areas where we have national partnership agreements with the commonwealth that are outcomes focused that having a robust definition and robust data are pretty critical to being able to report effectively against particular targets that are set for jurisdictions. I take the point, in the context of this particular national partnership and definitions of homelessness, that I think the issues are germane across a range of these areas.[107]

5.8 A Directorate official added:

> ...obviously, when we are looking at outcomes it is important to be able to compare apples with apples and oranges with oranges. That certainly was not the case between the 2006 and 2011 ABS census because of those changes in definition.
>
> The changes that were made by the ABS have meant that the ACT's outcomes are very different in nature. The fact that the ACT offers a lot of accommodation support and other services to homeless people in fact counts against us in that definition of homelessness as determined by the ABS. So it is very important to note, when people make claims about the level of homelessness in the ACT, that often the claim is that the ACT has the second-highest rate nationally based on the definition in the 2011 ABS census. It certainly was not the case in 2006, and if you take aside the definitional issues about how you count people in crisis accommodation services, the ACT either has the lowest or equal level of homelessness in all other categories of homelessness, and also saw a reduction in the definition of people that were rough sleeping between those two censuses.[108]

5.9 In later discussion the Committee noted that the ABS definition was now 'the accepted definition' and that according to the 2011 Census the ACT had the second highest rate of homelessness in Australia. In response a Directorate official told the Committee that:

> the definition has produced an outcome—and I accept your comments that that is the definition that the ABS have taken. I was attempting to explain how that definition reflects the story on the ground in the ACT and how the fact that we have a high provision of homelessness support actually serves to increase that number.[109]

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[107] Mr Andrew Barr MLA, *Transcript of evidence*, 17 October 2014, pp. 15-16.
[108] Mr David Matthews, *Transcript of evidence*, 17 October 2014, p. 16.
[109] Mr David Matthews, *Transcript of evidence*, 17 October 2014, p. 20.

5.10 The Committee also sought the Minister's views about a lack of exits from the homelessness system, including a shortage of affordable housing.[110]

5.11 In response, the Minister told the Committee that:

> The issues are predominantly on the supply side and will continue to be.
>
> ...a combination of increased supply and dampened demand has seen the private market adjust. That said, the private market is still predominantly geared to providing housing for at least a high, single-income earner if not two moderate, double-income earners when you look at what largely comes onto the market. So there is a market failure in the ACT. There is a need for government intervention in the housing market, and we do that predominantly through the provision of public housing, where we have the highest proportion of public housing of any state or territory in Australia, and we seek to grow our community housing sector through Community Housing Canberra and through the introduction of new players and a desire to look at some innovative models to attract new funding in the sector. I have said before, and I will continue to say, that it is only through building new houses that we will put downward pressure on prices.
>
> ...Ultimately, though, we need a continuation of strong supply of housing across the different sectors, and that will require investment from government in renewal of the public housing stock. Obviously that process is underway. There is a significant planning process to identify new sites for public housing in the city, and there will be an omnibus territory plan variation presented to the Assembly later this year or early next that will identify a range of new sites for new housing.
>
> Clearly the Northbourne corridor housing will be renewed, as will a number of the ageing multi-unit complexes at various points around the city.[111]

5.12 The Committee noted that commonwealth funds had been provided for the construction of 20 new dwellings through the 'a place to call home' program but that clients had, in fact, been provided housing from existing stock. It requested advice about where the funds initially provided for the construction of the 20 houses were spent.

5.13 The Committee was advised:

> ...certainly 20 additional properties were funded under a place to call home initiative, and what the minister has been explaining is how we were able to leverage off our whole portfolio in getting the right housing outcome for each of those individual clients. The properties that we constructed with those actual dollars, in fact, were not the right properties for the clients that we wished to house. With the commonwealth's

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[110] *Transcript of evidence*, 17 October 2014, pp.16-17.
[111] Mr Andrew Barr MLA, *Transcript of evidence*, 17 October 2014, p. 17.

> support, we were able to substitute some of the existing housing and be able to allocate housing to those families in a form of housing in a location that was most suitable to those needs.
>
> Then the actual properties that were funded under the program were allocated through the normal public housing arrangements. I think this is a really good example about how we can work flexibly with our total resource space to make sure that we are getting the best outcome for people whilst making sure that we can be accountable for the spending of those funds to the commonwealth.[112]

5.14 In later discussion the Committee pointed to the Auditor-General's finding that difficulties occurred with the accurate reporting of expenditure of funds provided for a place to call home. It sought advice about what may have been done to improve the accounting of the funds.[113]

5.15 A Directorate official told the Committee that:

> ...we definitely acknowledge the commentary provided in the Auditor-General's report. The ACT government has agreed to and accepted that recommendation. The point I would make, which we provided in our management comments, was that we definitely acknowledge the reconciliation issue, but there was certainly no question that the ACT government delivered what it was required to under that agreement. That was acknowledged by the commonwealth and, indeed, by the Auditor-General's report.
>
> ...In terms of what we have specifically done to address that recommendation, we have certainly implemented quarterly reconciliation meetings to make sure that we have a single source of truth around what those financial contributions are for that particular program and others. We have also made sure that there is additional oversight from Housing ACT's capital committee—again, consistent with the idea that we deliver a capital program to support social housing and homelessness outcomes from a variety of sources, including self-funded work from Housing ACT and specific purpose payments or national partnership agreements. So the Housing ACT capital committee has overall responsibility for ensuring that the reconciliations are done appropriately and that the information is correct.[114]

5.16 Later in the proceedings the Committee inquired about the outcomes for clients who had been assisted through the 'A Place to Call Home' program.[115] The Minister responded:

> It is a good question. As long as it does not involve huge amounts of time or any invasion of privacy, we will see what we can do to provide the committee with some general information about outcomes post the program.[116]

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[112] Mr David Matthews, *Transcript of evidence*, 17 October 2014, p. 18.
[113] *Transcript of evidence*, 17 October 2014, p. 21.
[114] Mr David Matthews, *Transcript of evidence*, 17 October 2014, p. 21.
[115] *Transcript of evidence*, 17 October 2014, p. 37.

5.17 The Committee referred to Government decisions about housing provision including for example, omnibus legislation proposed to allow for the renewal of public rental stock and the proposed Northbourne Avenue redevelopment, and questioned whether the proceeds from the sale of existing housing would be used to increase the amount of public rental stock.[117]

5.18 The Minister advised that as a result of sales of existing housing stock there would be an increase in public housing:

> Essentially, the properties within the Northbourne corridor are replaced on a roof-for-roof basis. Outside the Northbourne corridor we anticipate there being a capacity to utilise the proceeds of divestment to invest in more stock.[118]

5.19 The Committee referred to the Auditor-General's finding that proposed expenditure for HASI was revised downwards to about 66 per cent of initial expected expenditure. It was interested to find out what happened to the rest of the money.[119]

5.20 It was explained:

> ...in term of our overall obligations under the agreement, if we underspend in one area, we have to seek approval from the commonwealth to overspend in another area. Essentially, the total investment is covered by the agreement; the ACT has to report and be accountable to that both by putting in implementation plans and also by doing retrospective reporting which explains what we have actually spent the money on.[120]

5.21 As to the specific uses of the 34 per cent of funds, the Directorate official took this as a question on notice.[121]

5.22 The Committee enquired about the status of a review of HASI – whether the review had now been finalised and whether it was publicly available.[122]

5.23 A Directorate official advised:

> It has not been published, so it is not in the public domain ... but the review has been completed now. To provide some context, the review was instigated in 2011 ... The purpose of that evaluation at that time was to see how it was being "operationalised" in the ACT and to identify any issues.

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[116] Mr Andrew Barr MLA, *Transcript of evidence*, 17 October 2014, p. 37.
[117] *Transcript of evidence*, 17 October 2014, p. 22.
[118] Mr Andrew Barr MLA, *Transcript of evidence*, 17 October 2014, p. 24.
[119] *Transcript of evidence*, 17 October 2014, p. 25.
[120] Mr David Matthews, *Transcript of evidence*, 17 October 2014, p. 25.
[121] Mr David Matthews, *Transcript of evidence*, 17 October 2014, p. 26.
[122] *Transcript of evidence*, 17 October 2014, p. 27.

> ... that has now been completed, and we have reached agreement with ACT Health around that. We are able to report that we did incorporate the findings of that post-implementation review into the way the program evolved and was implemented.[123]

5.24 The Committee noted the Auditor-General's finding that changes to the targets and accompanying method for reporting on HASI made it difficult to assess whether HASI had achieved its objectives.[124]

5.25 In response a Directorate official told the Committee that:

> In terms of the original performance indicators that were identified for HASI, I think the Auditor-General also comments that they were probably very difficult to measure, particularly with episodes of people returning to the PSU. Essentially, during the national partnership agreement we did change the performance indicators because they were not effective or measurable. We sought permission to make those changes with the commonwealth.
>
> In terms of a broader sense of how we know whether the program is successful or not, obviously we have an existing cohort of people that are in the program that are receiving support from both health and community organisations, and Housing ACT, and the outcomes for those individuals are monitored. The Auditor-General's report also shows that a large portion of those people have remained in their housing. Obviously that is the most significant positive outcome that this program is going to achieve.[125]

5.26 The Committee noted the Auditor-General's findings that Community Services Directorate had not reconciled expenditure information on various homelessness programs so could not tell what they cost. For the A Place to Call Home Program, there was no single source of information for funding arrangements and budgeted funds, actual expenditure and reported expenditure were not periodically reconciled.[126]

5.27 The Minister responded, saying that this had 'been acknowledged by the Directorate in the response, and they are addressing that'.[127]

5.28 The Committee noted the 43 per cent decline in people who were sleeping rough in the ACT and was interested to hear the reason for this.

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[123] Mr David Matthews, *Transcript of evidence*, 17 October 2014, p. 27.
[124] *Transcript of evidence*, 17 October 2014, p.27.
[125] Mr David Matthews, *Transcript of evidence*, 17 October 2014, pp. 27-28.
[126] *Transcript of evidence*, 17 October 2014, pp. 30-31.
[127] Mr Andrew Barr MLA, *Transcript of evidence*, 17 October 2014, p. 31.

5.29 In response, Directorate official told the Committee that:

> ...the drop in rough sleepers we would attribute to one of the programs funded under the national partnership on homelessness, the street to home program. That was a great example of adding value to some existing programs. St Vincent de Paul was funded under the street to home program to work with chronic rough sleepers, many of whom might have previously been resistant to moving out of rough sleeping into housing. They were taking a very active approach with those rough sleepers, going out to where you would find them sleeping in a park or on Mount Ainslie, working to get their confidence, working with another St Vincent de Paul program, the food van, the night patrol van, working with other workers who would come in contact with rough sleepers, such as park rangers and so on, working with mental health workers, and then getting their confidence and trust to the point where they would be prepared to move into housing options which were provided by Housing ACT. If the figures could speak, I think that those figures would speak.[128]

5.30 The Committee also noted the significant percentage change that had occurred in people living in overcrowded dwellings.[129]

5.31 A Directorate official responded, telling the Committee that:

> With the persons living in severely overcrowded dwellings, there was one change in the definition of overcrowding which was used by ROGS, the report on government services. That was until the point in time of change...we moved to adopt the Canadian definition of overcrowding. The overcrowding used to be people who required two extra bedrooms; the definition changed to requiring one extra bedroom. It might be simply a definitional change, but we can certainly look into that and provide the committee with some information.[130]

5.32 The Committee noted the high number of people experiencing repeated periods of homelessness and the low numbers who obtain or maintain independent housing after a supported period. It was interested to know whether there was a nexus between a lack of exits from homelessness, possibly linked to a lack of affordable housing in the ACT, and these figures.[131]

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[128] Ms Maureen Sheehan, *Transcript of evidence*, 17 October 2014, p. 33.
[129] *Transcript of evidence*, 17 October 2014, pp.32-33.
[130] Ms Maureen Sheehan, *Transcript of evidence*, 17 October 2014, p. 33.
[131] *Transcript of evidence*, 17 October 2014, p.37.

5.33 A Directorate official responded:

> ...I would want to assure the committee that we take that information and data very seriously. We are very much looking to see how the ACT does perform against other jurisdictions, what are the reasons for that difference in performance and what are the particular characteristics and needs of our homelessness population.
>
> ...we are obviously wanting to make sure that people do not experience repeat periods of homelessness. That is one of our key drivers. Clearly, breaking the cycle of homelessness is one of the absolute key drivers of our activity. It is a key performance measure that we have included in our homelessness outcome measurement framework so that we are focusing ourselves and all of our sector partners on the fact that we want to break those cycles of homelessness.[132]

OTHER MATTERS

5.34 Other matters discussed included:

- the bipartisan response of state and territory treasurers to the commonwealth about the future of all national partnership agreements;[133]
- the review of the Federation;[134]
- management of the housing portfolio through a program of divestment and investment;[135]
- that 'a place to call home' was a housing-first model and the logic behind that;[136]
- data showing an increase in homelessness Australia wide between the 2006 and 2011 censuses;[137]
- the different types of homelessness and how the ACT has sought to reshape its homelessness services;[138]
- that some people who are counted in the homelessness system are living in a home that they will continue to reside in after exiting the homelessness system;[139]
- the aim of the omnibus territory plan variations and consultation about this;[140]
- attracting new investment into social housing;[141]

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[132] Mr David Matthews, *Transcript of evidence*, 17 October 2014, pp. 37-38.
[133] *Transcript of evidence*, 17 October 2014, p. 16.
[134] *Transcript of evidence*, 17 October 2014, p. 16.
[135] *Transcript of evidence*, 17 October 2014, p. 18.
[136] *Transcript of evidence*, 17 October 2014, p. 19.
[137] *Transcript of evidence*, 17 October 2014, p. 19.
[138] *Transcript of evidence*, 17 October 2014, p. 20.
[139] *Transcript of evidence*, 17 October 2014, pp. 20-21.
[140] *Transcript of evidence*, 17 October 2014, pp. 22-23.

- reporting on divestment and investment in housing stock;[142]
- preference in most instances to add to public housing through construction rather than by purchasing an existing dwelling;[143]
- the features and success of the HASI program and how it has evolved into HASI/HARI;[144]
- that HASI and HARI provide clients with control and choice and how clients are expected to transition into the national disability insurance scheme;[145]
- the size and location of 17 areas proposed for redevelopment;[146]
- the relationship between government and the community sector in relation to reporting;[147]
- complexities relating to reporting by different portfolios;[148]
- the Auditor-General's finding that the location of houses is described in different ways;[149]
- the development of a new national information system for homelessness and a new national minimum dataset and associated reporting;[150]
- responding to overcrowding and underutilisation in public housing;[151]
- changing expectations about dwelling size;[152]
- accommodation for students;[153]
- the specialist homelessness data collection;[154]
- proposed government evaluation of reforms of ACT specialist homelessness services;[155]
- anecdotal evidence suggesting the ACT attracts homeless people from other areas;[156] and
- trends in data on homelessness since the 2011-12 Report on Government Services.[157]

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[141] *Transcript of evidence*, 17 October 2014, p. 23.
[142] *Transcript of evidence*, 17 October 2014, p. 24.
[143] *Transcript of evidence*, 17 October 2014, p. 25.
[144] *Transcript of evidence*, 17 October 2014, pp. 25-26.
[145] *Transcript of evidence*, 17 October 2014, p. 28.
[146] *Transcript of evidence*, 17 October 2014, pp. 28-29.
[147] *Transcript of evidence*, 17 October 2014, p. 29.
[148] *Transcript of evidence*, 17 October 2014, pp. 29-30.
[149] *Transcript of evidence*, 17 October 2014, p. 31.
[150] *Transcript of evidence*, 17 October 2014, pp. 31-32.
[151] *Transcript of evidence*, 17 October 2014, pp. 33-34.
[152] *Transcript of evidence*, 17 October 2014, p. 34.
[153] *Transcript of evidence*, 17 October 2014, pp. 34-35.
[154] *Transcript of evidence*, 17 October 2014, p. 36.
[155] *Transcript of evidence*, 17 October 2014, p. 36.
[156] *Transcript of evidence*, 17 October 2014, pp. 37-38.
[157] *Transcript of evidence*, 17 October 2014, p. 38.

6 VIEWS OF SUBMITTERS

INTRODUCTION

6.1 This chapter considers views about the Auditor-General's performance audit of the National Partnership Agreement on Homelessness and matters relating to homelessness and homelessness service providers—as expressed in submissions provided to the Committee.

6.2 These views are categorised across the following themes:

- limitations of the Auditor-General's report:
  - selection of NPAH Programs audited
  - focus of reporting
  - consultation process – community organisations and service users
  - recommendations of the report
- uncertainty of future NPAH funding
- the Our Place Program
- scope for closer collaboration of mainstream services
- ACT Government reforms
- evaluation of ACT Homelessness Sector Reforms
- room for improving how ACT Government works with the homelessness sector
- development of performance indicators

6.3 The Committee notes that this is not an exhaustive list.

COMMON THEMES

6.4 As noted above views expressed by submitters have been categorised across a number of common themes. These are summarised following.

AUDIT SCOPE, PROCESS AND RECOMMENDATIONS

SELECTION OF NPAH PROGRAMS AUDITED

6.5 A number of submissions expressed concern about the scope of the performance audit and in particular the choice of the NPAH Programs included.

SUBMISSION BY ST VINCENT DE PAUL SOCIETY CANBERRA/GOULBURN

6.6 The 'selection' of NPAH programs was a core concern of the submission by the St Vincent de Paul Society of Canberra/Goulburn.

6.7 This submission pointed out that while nine programs were funded in the ACT through the NPAH, only three of these—'Place to Call Home', 'Our Place' and 'HASI'—were selected for consideration in the audit. It expressed concern that the other 6 programs, including the St Vincent de Paul Society's 'Street to Home' program, were given little attention—they were 'rarely mentioned beyond listing their names and funding amounts.'[158]

6.8 While it was understood that the 3 programs selected were chosen on the basis that they represented 60 per cent of the ACT's total NPAH funding, this was considered 'a poor criterion for determining an audit selection as the programs chosen are unrepresentative of the bulk of work provided through the NPAH.' [159]

6.9 In particular, the submission stated:

- The Place to Call Home program itself constituted 50% of the total funding at $10M over 5 years. However the vast majority of this money was spent on capital works, the program in fact consisted of only 20 houses that were used to assist homeless families
- Both Place to Call Home and HASI clients were in fact recipients of small amounts of funding in terms of support packages that were spread across a large number of community providers. These funding packages merely acted as minor expansions to existing support services
- In the first 3 years examined by the audit report the HASI program supported 27 persons, Our Place 57 persons, and Place to Call Home 19 families
- When this is compared with other NPAH services such as First Point, that has engaged thousands of persons and works with every homeless agency in the ACT, and programs such as Sustaining Tenancies, Leaving Prison program, and Street to Home that have each supported hundreds, it is difficult to determine why the focus was put on the programs that arguably had the smallest impact on the sector.[160]

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[158] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 2.
[159] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 2.
[160] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 2.

SUBMISSION OF YOUTH COALITION OF THE ACT

6.10 The submission of the Youth Coalition of the ACT expressed concern that by focusing on only three NPAH programs, the Audit report was 'not able to effectively assess the impact of the services provided to people experiencing homelessness.'[161]

SUBMISSION OF ACT COUNCIL OF SOCIAL SERVICES INC (ACTCOSS)

6.11 The ACTCOSS submission noted that although the three programs focused on in the audit represent a significant proportion of NPAH funds, other programs—such as 'First Point', 'Sustaining Tenancies' and 'Street to Home'—had 'a much larger reach in numbers of people supported.' [162] The submission expressed the view that:

> Any future decisions about priorities for funding services needs to be built on a more a comprehensive examination of the effectiveness of NPAH and other funded services in the housing and homelessness service systems.[163]

6.12 The submission also stated:

> There is concern among the sector about the selection of programs funded under the NPAH to be reviewed, as well as a perception that the focus of the report was heavily weighted on ensuring the ACT government has met its requirements to the Federal Government. By focusing on only three of the nine programs funded under the NPAH; A Place to Call Home, Our Place, and the Mental Health Housing and Support Initiative (HASI), that account for 60% of allocated funding, it is does not provide a sufficient evidence base regarding the impact of the services provided to people experiencing homelessness in the ACT.[164]

FOCUS OF REPORTING

SUBMISSION BY ST VINCENT DE PAUL SOCIETY CANBERRA/GOULBURN

6.13 According to the submission of the St Vincent de Paul Society Canberra/Goulburn the Auditor-General's report had a limited focus and did not determine whether funded programs made a difference for homeless persons or had met NPAH targets: [165]

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[161] Submission No. 4, Youth Coalition of the ACT, p. 1.
[162] Submission No. 5, ACTCOSS, p. 7
[163] Submission No. 5, ACTCOSS, p. 7
[164] Submission No. 5, ACTCOSS, p. 9
[165] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 2.

> When reviewing the focus of the reporting it is clear the majority of the focus was ensuring that the ACT Government had met its requirements to the Federal Government in terms of financial/output acquittals. This is possibly due to the fact that the report identified a poor level of potential performance indicators/outcomes articulated in contracts.
>
> Feedback or reporting on actual program outcomes was limited. Under each of the 3 targeted areas the program/initiative outcomes section only consisted of one or two paragraphs. This compared to often several pages of reporting about whether the ACT Government had appropriately acquitted the financial requirements, or whether local program targets varied to federal targets.
>
> After the initial statement of objectives the concept of 'is it making a difference for homeless persons' seems to have been lost and not reported against. It is also peculiar that the 5 key targets of the NPAH for 2013 (7% reduction in homeless persons, 33% reduction in homeless Aboriginal and Torres Strait Islanders that are homeless, 25% reduction in those sleeping rough, 25% reduction in persons exiting prison that are homeless, and 25% reduction in number of persons using a homeless services 3 or more times in 12 months) that were agreed to and built into all homelessness funding contracts were never discussed or assessed in this report. This is a stark omission considering that there was a number of services established (Street to Home, Exiting Prison program) to specifically to address these targets.[166]

Submission of Youth Coalition of the ACT

6.14 The Youth Coalition submission stated that the audit report did not 'adequately consider whether NPAH is making a difference for people who are homeless in the ACT'.[167]

Submission of ACT Council of Social Services Inc (ACTCOSS)

6.15 In its submission ACTCOSS indicated agreement with the views expressed by both the St Vincent de Paul Society and the Youth Coalition of the ACT, that the audit report did not 'adequately consider whether NPAH is making a difference for people who are homeless'.[168] ACTCOSS expressed the view:

> It is important to develop a more comprehensive evaluation that can gauge the value and effectiveness of this funding, and investment overall, in addressing housing and social inclusion needs.[169]

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[166] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 2.
[167] Submission No. 4, Youth Coalition of the ACT, p. 1.
[168] Submission No. 5, ACTCOSS, p. 7.
[169] Submission No. 5, ACTCOSS, p. 9

CONSULTATION PROCESS—COMMUNITY ORGANISATIONS AND SERVICE USERS

SUBMISSION BY ST VINCENT DE PAUL SOCIETY CANBERRA/GOULBURN

6.16 In its submission, the St Vincent de Paul Society Canberra/Goulburn indicated that it was 'difficult to determine the level of involvement that community organisations and providers had' in the Auditor-General's report. The submission acknowledged that some employees of St Vincent de Paul were interviewed as part of the audit and that it was presumed that other community agencies were also involved, but the report did not include a section 'where aggregated or even anecdotal feedback from these interviews is provided or examined.'[170]

6.17 St Vincent de Paul Society stated that it was involved in three NPAH programs in the ACT—'Place to Call Home', 'HASI' and 'Street to Home'—and that in order to assess whether these programs made a difference for homeless persons, 'the feedback and reporting from Community Services that actually operated the programs and worked with the homeless persons should form a crucial part of this report.'[171]

SUBMISSION OF YOUTH COALITION OF THE ACT

6.18 The ACT Youth Coalition also expressed concern that 'the consultation process undertaken as part of the report has not adequately considered the perspectives of service providers or service users.'[172]

SUBMISSION OF ACT COUNCIL OF SOCIAL SERVICES INC (ACTCOSS)

6.19 In its submission ACTCOSS advised that it had 'received feedback about concerns relating to the consultation process undertaken as part of the report, particularly in terms of feedback from Community Organisations.' ACTCOSS noted that this 'reflects wider concerns about the quality of communication and engagement with the sector around reporting processes.'[173] The submission stated that the Audit report:

> ...did not adequately consider the perspectives of service providers or service users, particularly in terms of identifying feedback and reporting from community organisations operating programs and initiatives within the detail of the report. It is difficult to establish the level of involvement that these organisations and providers had into the audit report.[174]

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[170] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 3.
[171] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 3.
[172] Submission No. 4, Youth Coalition of the ACT, pp. 1-2.
[173] Submission No. 5, ACTCOSS, p. 9.
[174] Submission No. 5, ACTCOSS, p. 9.

RECOMMENDATIONS OF THE REPORT

SUBMISSION BY ST VINCENT DE PAUL SOCIETY CANBERRA/GOULBURN

6.20 The submission of the St Vincent de Paul Society indicated that the audit report made four recommendations—of these, two concerned financial management, one related to contract management, and the last was about the follow up of a review project.[175] The submission noted that the:

> identified concern was that financial acquittals were not done as well as they could have been, that reporting for a service was late, that an operational agreement had not been completed, and a HASI review needed to be finalised.[176]

6.21 It expressed the view that while such factors may be important when analysing the reporting obligations of the ACT, they did not provide an insight on 'whether the NPAH is actually making a difference for homeless persons.'[177]

6.22 The St Vincent de Paul Society expressed the view that 'the audit report did not adequately represent or report on the outcomes of the NPAH and was a lost opportunity to review the value of this funding.'[178]

SUBMISSION OF YOUTH COALITION OF THE ACT

6.23 In its submission, the Youth Coalition noted that the audit report recommendations 'do not reflect measures to improve the quality or impact of services funded under NPAH.'[179]

SUBMISSION OF ACT COUNCIL OF SOCIAL SERVICES INC (ACTCOSS)

6.24 The ACTCOSS submission stated:

> As noted by other submissions, the four recommendations made by the audit report focus primarily on financial and contract management. The recommendations contained in the report do not reflect measures to improve the quality or impact of services funded under NPAH but rather centre on aspects such as financial acquittals, late reporting for a service and the finalising of the HASI review. While these are important aspects to examining reporting obligations they do not provide insight on

[175] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 3.
[176] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 3.
[177] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 3.
[178] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 1
[179] Submission No. 4, Youth Coalition of the ACT, p. 2.

the effectiveness or impact of the NPAH in making a difference to people experiencing homelessness in the ACT.[180]

UNCERTAINTY OF FUTURE NPAH FUNDING

6.25 At the time that a number of submissions to the Committee were made, funding for the NPAH had been extended for 12 months only and was due to cease at 30 June 2015.[181] Accordingly, some submissions made specific reference to the uncertainty of funding provided through the national partnership agreement.[182]

SUBMISSION OF YOUTH COALITION OF THE ACT

6.26 In its submission, the Youth Coalition indicated that:

> When considering the impact of services funded under NPAH, the Youth Coalition also advocates for a consideration of the impact to the ACT community if the NPAH ceases at the end of its current 12 month extension.[183]

SUBMISSION OF ACT COUNCIL OF SOCIAL SERVICES INC (ACTCOSS)

6.27 ACTCOSS expressed the view that:

> The Audit report and subsequent review have been undertaken in a context of uncertainty, particularly in terms of ongoing funding for initiatives and programs receiving funding under the NPAH. In this uncertain environment organisations are faced with significant challenges in planning, delivering and sustaining services to those at risk of becoming homeless.[184]

6.28 ACTCOSS noted that since NPAH funding was due to expire at the end of 2014-15, homelessness programs were 'at risk.'[185] ACTCOSS indicated that it:

> ... would like to see a collaborative decision making process involving Government, people accessing services and support, specialist housing and homelessness service providers, other specialist services and mainstream services to determine the strategy and priorities for ongoing provision of housing support and homelessness services after June 2015.[186]

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[180] Submission No. 5, ACTCOSS, p. 9
[181] http://www.federalfinancialrelations.gov.au/content/npa/housing/homelessness_2014/national_partnership_2014c.pdf.
[182] The Committee notes the extension of this funding for a further two years, see Table 3.1.
[183] Submission No. 4, Youth Coalition of the ACT, p. 2
[184] Submission No. 5, ACTCOSS, p. 5.
[185] Submission No. 5, ACTCOSS, p. 12.
[186] Submission No. 5, ACTCOSS, p. 12.

THE OUR PLACE PROGRAM

SUBMISSION BY ANGLICARE ACT

6.29 In its submission to the Committee, Anglicare ACT focused on the Our Place program, a supported accommodation service for young people aged 16 to 21 years. Anglicare pointed out that since the Our Place program commenced operating in 2011, it 'has consistently exceeded the expected program outputs.'[187]

6.30 However, Anglicare ACT also indicated that it was 'desperate to have security cameras installed to assist staff in keeping residents safe....'; that, for a range of reasons, 'any future development [should] be designed around single bedsit units for clients'; and that the service desires 'to propose a second service model to complement Our Place.'[188]

SCOPE FOR CLOSER COLLABORATION OF MAINSTREAM SERVICES

6.31 ACTCOSS' submission drew attention to the work of the ACT Housing Policy Consortium and its support for closer collaboration with mainstream services to help respond to housing and support needs. ACTCOSS commented:

> The ACT Housing Policy Consortium that has been funded from 2013-2015, of which ACTCOSS is a member, has identified that there is significant scope for closer collaboration of mainstream services in the ACT that would facilitate flexible and responsive approaches to housing and homelessness support. ACTCOSS advocates for a suitable, effective framework for collaboration with mainstream services that would facilitate flexible and responsive approaches to addressing the housing and support needs of people and people experiencing or at risk of homelessness. This will go some way to identifying housing stress and the risk of homelessness earlier, better supporting people to maintain their housing and preventing recurrence of homelessness.[189]

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[187] Submission No. 6, Anglicare ACT, p. 1
[188] Submission No. 6, Anglicare ACT, pp. 3; 4.
[189] Submission No. 5, ACTCOSS, p. 5

ACT GOVERNMENT REFORMS

ACT GOVERNMENT SUBMISSION

6.32 In its submission, the ACT Government made reference to:

> ...reforms underway that will impact on financial and performance reporting requirements for community sector organisations. These reforms include changes to reporting timeframes, legislative requirements and procurement practices. These reforms are referred to as the Community Sector Red Tape Reform... [190]

6.33 The submission detailed changes, for example, to 'the financial reporting intervals required of the community sector under their service funding agreements'; and to 'the *Associations Incorporation Act 1991* to eliminate regulatory overlap between the ACT regulatory regime for incorporated associations and the newly established Australian Charities and Not-for-profit Commission (ACNC)'.[191] The submission noted that the 'objective of the reforms ... is to reduce the red-tape burden on the community sector in the ACT...'[192]

6.34 The ACT Government submission also advised:

> Social Housing and Homelessness Services is trialling a new form of response to reporting by its not for profit sector partners whereby the report assessment undertaken by contract management staff is provided in its entirety to the organisation. The aim of this is to create a more transparent contractual relationship and enable more effective collaboration in creating positive outcomes for service users. The directorate is also committed to the continuous review of outcomes and performance indicators when developing new or revised programs to ensure their alignment with the available evidence base and models of best practice both within Australia and internationally.[193]

SUBMISSION OF ACT COUNCIL OF SOCIAL SERVICES INC (ACTCOSS)

6.35 The ACTCOSS submission also referred to the Government's reform efforts and the collaboration that was occurring with the community sector noting that:

> ...there has been a dedicated effort by the ACT Government to work with the sector on establishing an outcomes framework for contract reporting as well as working towards measures to reduce red tape and administrative burden on community organisation

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[190] Submission No. 1, ACT Government, p. 3.
[191] Submission No. 1, ACT Government, p. 3.
[192] Submission No. 1, ACT Government, p. 4.
[193] Submission 1, ACT Government, p. 6.

> delivering services under NPAH funding. ACTCOSS supports continued collaboration by the ACT Government with people who access services and organisations that provide services in improving the quality of reporting. We are particularly keen to continue joint commitment to ensuring the capture of high quality data through the reporting process to ensure effective evaluation of the impact of programs.[194]

EVALUATION OF ACT HOMELESSNESS SECTOR REFORMS

SUBMISSION OF ACT COUNCIL OF SOCIAL SERVICES INC (ACTCOSS)

6.36 In its submission, ACTCOSS advised the Committee that it was 'aware that a forthcoming evaluation of the ACT Homelessness Sector Reforms will provide a good opportunity to look at broader system issues, effectiveness and impact on making a difference for homeless people or those at risk of becoming homeless.'[195]

SCOPE FOR IMPROVING HOW THE ACT GOVERNMENT WORKS WITH THE HOMELESSNESS SECTOR

SUBMISSION OF ACT COUNCIL OF SOCIAL SERVICES INC (ACTCOSS)

6.37 In its submission ACTCOSS expressed the view that there was 'still room for improvement in how the ACT Government communicates and collaborates with the sector.'[196]

6.38 ACTCOSS pointed out that it 'has recently been involved in advocacy work regarding the funding contracts for ACT homelessness service providers, and the lack of cumulative indexation attached to these contracts for 2014-15'[197]:

> ACTCOSS is concerned at the lack of transparency and warning given to service providers about the changes to funding, particularly since these changes only came to light after service providers had developed their internal budgets, and had them approved by their governing bodies, prior to the start of the financial year.
>
> We are also concerned that this whole process has been only one example of a larger problem – that of a lack of practical understanding, by people in funding agreement areas and government managers, of the impact on service provider organisations of their decisions and the timing of advice provided by the ACT Government.[198]

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[194] Submission No. 5, ACTCOSS, p. 6.
[195] Submission No. 5, ACTCOSS, p. 7.
[196] Submission No. 5, ACTCOSS, p. 7.
[197] Submission No. 5, ACTCOSS, pp. 7-8.
[198] Submission No. 5, ACTCOSS, pp. 7-8.

DEVELOPMENT OF PERFORMANCE INDICATORS

SUBMISSION OF ACT COUNCIL OF SOCIAL SERVICES INC (ACTCOSS)

6.39 The ACTCOSS submission expressed the view that '...any changes to performance indicators needs to be informed by the priorities of people who access services, evidence from research and advice from organisations that provide services'[199]:

> Performance indicators rely on quality data capture, data consistency, analysis and literacy, all of which need support and resources to build capacity across the ACT Housing and Homelessness sector. ACTCOSS would like to see more support and resourcing to ensure people who access services and service providers can engage fully in the development of performance indicators that reflect measures of meaningful change in the circumstances and trajectories of people accessing services and reducing long term demand for housing support and homelessness services.[200]

[199] Submission No. 5, ACTCOSS, p. 11.
[200] Submission No. 5, ACTCOSS, p. 11.

7 VIEWS OF WITNESSES

INTRODUCTION

7.1 The Committee heard from a number of key interest groups and organisations on Thursday 6 November 2014 and Thursday 13 November 2014.

ACT COUNCIL OF SOCIAL SERVICES

7.2 ACTCOSS appeared before the Committee on 6 November 2014 to give evidence in relation to the Inquiry.

7.3 In her opening statement to the Committee, the Director of ACTCOSS drew attention to two issues raised in the ACTCOSS submission. These were:

- 'issues around data, data collection, data quality and the capacity to analyse and use data for making good decisions'; and
- 'the need for us to have a plan into the future around how we respond to the needs of people who are homeless but also how we reduce the risk of homelessness through both service responses and supply of affordable housing.'[201]

7.4 The Committee was interested to know the views of ACTCOSS as to whether homelessness was getting worse in the ACT or improving. The Director referred to ABS data on homelessness as well as the understanding of known demand for assistance obtained through the central intake system known as First Point:

> Both the data out of First Point and the data out of the ABS surveys have found that we certainly do not have reducing homelessness.[202]

7.5 The Director told the Committee that:

> The fundamental cause is affordability. Some people become homeless because they cannot afford somewhere to live.'[203]

[201] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 39.
[202] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 40.
[203] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 40.

7.6 The Director also referred to violence, family violence and domestic violence; young people having limited access to affordable housing or not having the supports to sustain good housing outcomes; and overcrowding among Indigenous families.[204] With regard to a long-term plan, the Director stated:

> I think we need a 10-year plan that includes both housing supply as well as homelessness service provision.[205]

7.7 The Committee asked for the ACTCOSS Director's views on responses to family violence and the impact of trauma. In response, the Director told the Committee that there was:

> a growing recognition of the impact of trauma on relationships and family violence....a major issue that we think needs addressing — to look at the link between histories of trauma and the most effective ways to support people in the homelessness system.[206]

7.8 The Director also expressed the view that 'there needs to be more effort on therapeutic work around trauma' but that 'we do not have the capacity and the helping services to respond to that growing demand.'[207] In regards to violence towards women the Director referred to a new plan being developed around the status of women and that this should be an issue for the whole community.[208]

7.9 The Committee inquired about data collection issues regarding homelessness. The ACTCOSS Director said:

> There are two things that I would like to say about that. The first is that there is a problem with data literacy in our community overall....Certainly in the community sector we do not have a lot of capability around data literacy....One thing that we need to do is to build the data literacy....The other thing I would say is that there is room for both quantitative and qualitative data to be delivered....The issue is that, whatever we put in, we are not seeing that there are enough resources put into analysing it and then sending it back out to the organisations that contribute that data to give them a sense of what this data means, what it tells us about demand, responses or gaps.[209]

7.10 The Committee discussed the issue regarding changes to funding and indexation that ACTCOSS raised in its submission. The Director explained:

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[204] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 41.
[205] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 41.
[206] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 41.
[207] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, pp. 41; 42.
[208] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 42.
[209] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, pp. 42; 43.

> The issue that we were raising there was that there is a misalignment sometimes of funding decisions, governance decisions, that have to be made in organisations. An example this year was when there was a small change to indexation....the point was the misalignment—so organisations having to make governance decisions without accurate information. That is a critical concern.[210]

7.11 The Committee discussed a recent change from one-year to three-year funding agreements. The Director stated:

> Yes, that is really welcome. The other issue is around the length of funding. The Productivity Commission recommended in their review of the not-for-profit sector that there should be 10-year agreements, given the trajectory for change is over 10 years rather than a much shorter time...
>
> But certainly the move to three-year funding agreements is very welcome...
>
> The other thing is the cross-jurisdiction issue. Housing funding between the states and territories and the commonwealth has been currently rolled over for two years. It is like there is this constant uncertainty around what will be the long-term funding arrangements across jurisdictions. That is a key concern for us.[211]

7.12 The Committee was interested to hear from the ACTCOSS Director about the human services blueprint being piloted in West Belconnen. The Director stated:

> The value of the human services blueprint is that there can be a very localised approach to that cross-portfolio holistic approach. It creates a framework and a mechanism through which services that are located in that place can understand what each other is doing and understand better where the gaps are for that community.
>
> The other thing that I think is really important about the human services blueprint — and it is relevant to people living in homelessness—is around building the strength of communities; using place-based approaches to build community strength so that you can actually reduce risks and vulnerability for people in those communities. The issue for people who are homeless is that of repeat homelessness. Very few people are homeless once and get back on their feet and are okay for evermore. The biggest issue is around people having repeat homelessness. Some of that is associated with unresolved trauma, but some of it is also associated with systems that do not align and do not work and do not reduce people's risks and vulnerabilities long term. I think the human services blueprint has the opportunity to look both at how the service model works and how you create a strong community in which people's risks and vulnerabilities are reduced over time.[212]

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[210] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 43.
[211] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 44.
[212] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 45.

7.13 The Director also highlighted issues regarding infrastructure—for example, swimming pools and transport—'Things that create places where people can come together and interact and build their social connectedness make a difference to long-term risk and vulnerability.'[213]

7.14 The Committee sought the ACTCOSS Director's views about the impact on services of a decision to provide no further NPAH funding.[214] The Director stated:

> My view is that if the funding stops from the commonwealth, if we just stop the services that were funded through that, that would be incredibly unwise. That is why I think it is deeply urgent that we come up with a plan around what we want for the next 10 years for this community. In the absence of a plan, the biggest risk is that we have a completely unsophisticated approach to funding decisions and we say, "We'll just cut the things that were funded through that mechanism and we'll keep the things funded through this one." I think that would be the worst outcome for our community.[215]

7.15 The Committee was interested to hear more about communication between the ACT Government with the sector and how it could improve, as well as communication between ACTCOSS and its member organisations and between each other.[216] During the discussion, the ACTCOSS Director referred to some improvements in communication, but also highlighted the issues of privacy and confidentiality:

> Sometimes we get caught up in issues around privacy and risk around communication. There has been work on trying to help people think through what are the critical privacy and risk issues versus the value for people in things like communicating with one another...I think the critical thing is people's skills and confidence around navigating the confidentiality issues. That is actually really critical.[217]

7.16 The Committee asked the ACTCOSS Director about her views on housing affordability in the ACT and its impact on people's ability to leave the homelessness service system.[218] The Director advised:

> It is a major issue around the lack of exit points that are sustainable for people financially.[219]

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[213] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 46.
[214] *Transcript of evidence*, 6 November 2014, p. 46.
[215] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 47.
[216] *Transcript of evidence*, 6 November 2014, p. 48.
[217] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 48.
[218] *Transcript of evidence*, 6 November 2014, p. 49.
[219] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 49.

7.17 The Director also referred to work underway to better understand the relationship between people's labour market status and their housing status, as well as housing options that are not currently available in the ACT.[220]

7.18 The Committee discussed evictions in public housing and work to maintain tenancies.[221] The view of the ACTCOSS Director was that:

> Helping people to sustain their tenancies is a really critical part of responding to homelessness. Often people have not had a history of sustaining their tenancies. They may have issues around the way they relate to others that make it hard for them to be good neighbours. They may not be good at managing conflicts with landlords. All of those skill sets need to be developed if we are going to cut the cycle of homelessness.[222]

ACT Shelter Incorporated

7.19 On 13 November 2014, a representative from ACT Shelter appeared before the Committee to give evidence in relation to the Inquiry.

7.20 In his oral submission to the Committee, the Executive Officer of ACT Shelter spoke about the Auditor-General's report on the NPAH and the three programs/initiatives it focused on. While acknowledging that it was understandable that an Auditor-General's report would consider whether 'financial accountability was met and the reporting requirements to the commonwealth were met'[223] he expressed the view:

> I would like to see more in the future in terms of public reporting on the outcomes being achieved by those initiatives.[224]

7.21 In response to questioning about the form that this reporting should take, the Committee heard:

> Evaluations of the programs' successes and where there might be areas for improvement would be good. That would probably involve speaking directly to the people who have benefited from those initiatives, the people delivering support and the tenancy managers, as well as the Community Services Directorate and other directorates involved in the provision of those services.[225]

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[220] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 49.
[221] *Transcript of evidence*, 6 November 2014, p. 49.
[222] Ms Susan Helyar, *Transcript of evidence*, 6 November 2014, p. 49.
[223] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 51.
[224] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 51.
[225] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 52.

7.22 During further discussion about how such data would be collected, the Committee was advised:

> ...there would be issues around confidentiality and privacy and getting the consent of the people to provide feedback, but I think that can be achieved. It has certainly been achieved in the mental health sector, where there are a lot of opportunities for consumer participation, and in the disability sector as well. I think there would be ways around it.[226]

7.23 In addition to looking at models in other service provision, it was pointed out:

> There is also the reconnect model, which does support young people experiencing and at risk of homelessness. That has a participatory action research component where the people using the service and the workers can design questions and projects to look at how the service model can be improved, based on the experiences of both the workers and the people benefiting.[227]

7.24 However, it was acknowledged that asking 'for more outcome based reporting or more reporting on how people are actually benefiting from the service...would be more of an onus on the workers. So that is another issue.'[228]

7.25 During discussion the Executive Officer commented favourably on the three programs that the Auditor-General's report focused on:

> From ACT Shelter's perspective, we think that in the place to call home initiative we get access to good quality housing...I think that is a really good model because we know that stable housing, with the right supports wrapped around the person, so to speak, does achieve good outcomes in terms of reducing tenancy failure in the long term.[229]

7.26 The Executive Officer expressed the view:

> The our place model, which was one of the other three programs highlighted, is an excellent model. I have visited that service. While it is not specifically called a foyer, I believe it is aligned with the international Foyer Federation. One of the great things about the Foyer federation is that it challenges us not to talk about the deficits of young people in their service...[230]

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[226] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 53.
[227] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, pp. 53-54.
[228] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 54.
[229] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 51.
[230] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 51.

7.27 It was explained that the Foyer Federation:

> ...is a global federation. It is a model of housing and support for young people with a history of homelessness who are required to participate in education and training or pre-employment programs in exchange for accommodation with a rent-setting model that is generally a proportion of whatever income they are receiving.[231]
>
> ...the Foyer Federation tends to have a model which takes the homelessness completely out of it and just talks about the young person as living in student housing and talks about valuing and lifting up young people, forgetting about the deficits model and harnessing the strengths available to the young person and the workers that are supporting them.[232]

7.28 The Executive Director also told the Committee that the Housing and Support Initiative was 'based on a very successful model in New South Wales.'[233]

7.29 The Committee discussed with the Executive Officer the change to the ABS definition of homelessness for the 2011 Census and whether that contributed to an overall increase in the numbers of homeless counted in the ACT. The Executive Officer acknowledged that the definition used for the 2011 Census 'is quite a different definition' to that used previously, but 'I do not think it is fair to say that there was not a significant increase in homelessness.'[234]

7.30 The Executive officer explained that if the previous definition had been used:

> We still would have seen a very significant increase in homelessness, and I would not want it to get out there in the community that this city does not have a housing affordability problem and does not have a homelessness problem, because we very much do.[235]

7.31 The Committee heard that factors contributing to the increase included an increase in rents, a vacancy rate of 1.6 per cent, the impact of the global financial crisis, and the National Partnership and NAHA funding supported more places in specialist homelessness services.[236] The Executive Officer stated:

> But I do believe there was a significant increase in homelessness.[237]

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[231] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 52.
[232] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 53.
[233] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 52.
[234] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 55.
[235] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 55.
[236] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, pp. 55-56.
[237] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 56.

7.32 As to any further changes to the definition of homelessness, the Executive Officer expressed the view that 'we have arrived at a definition that is more difficult to explain to the general public' but he would 'not want to see the definition revisited.'[238] The Executive Officer also explained that the former cultural definition 'had broad support' and that the redefinition of homelessness by the ABS was not generated by the homelessness sector.[239]

7.33 The Committee inquired about accommodation for women, the impact of domestic violence on housing for women and families, and whether moving to community housing from public housing was a solution to some of these issues.[240] The Executive Officer expressed support for community housing:

> I am a pretty big fan of community housing. I think it is quite a good, low cost housing model for affordable housing consumers. Community housing providers tend to be very well connected to support services in their local communities. They have quite a strong community development focus. It is a model that could serve women escaping domestic and family violence.[241]

7.34 The Executive Officer also expressed the view that

> women and their children escaping domestic and family violence do not have enough housing options at the moment anywhere in Australia, including here in the ACT.[242]

7.35 The Committee also inquired about the challenges specific to the ACT regarding housing affordability. In response, the Executive Officer pointed to limits to the revenue-raising capability of the territory and its reliance on federal funding. Other challenges included housing supply, though private rental vacancy rate is increasing and there has been a cooling off in rents.[243] The Executive Officer stated:

> ...we do need some innovative solutions to housing affordability in the ACT.
>
> It is more than just a question of land supply. I think that there are some good initiatives that are going on in the territory, but we do face significant challenges and I think it is an opportunity to learn from other jurisdictions and overseas about what has worked in similar environments.[244]

7.36 The Committee sought the Executive Officer's views about unmet need for the lowest quintile of income earners.[245] The Committee heard:

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[238] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 56.
[239] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, pp. 56-57.
[240] *Transcript of evidence*, 13 November 2014, p. 57.
[241] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 57.
[242] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 57.
[243] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 58.
[244] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 58.
[245] *Transcript of evidence*, 13 November 2014, p. 58.

> I think there is a significant level of unmet need. I think there are about 2,200 people on the public housing waiting list in all categories.[246]

7.37 The Executive Officer's view was 'there are problems probably for people in the bottom 40 per cent' and it was suggested that a housing model which set rents at 60 to 65 per cent of market rent would be 'fairly viable for a not-for-profit housing provider and also affordable for key workers.' Reference was made to the Brisbane Housing Company and the Committee inquired further about this. It was advised that the Company was 'one of the larger affordable and community housing providers in Queensland' with a significant housing stock that can offer 'a broader range of rent settings.'[247]

7.38 The Committee also asked questions about older women and housing models that could assist them, particularly those who do not qualify for public housing. It also asked about Indigenous people in the ACT. It heard that women's housing was 'an emerging issue' and that the Australian Housing and Urban Research Institute (AHURI) was undertaking work in this area. Shared equity models were one option. With regard to Indigenous people, the Committee was advised that 'they are dramatically over-represented in the homelessness population and in people in overcrowded dwellings.'[248]

7.39 The Committee discussed the Auditor-General's finding that only 66 per cent of funds initially made available for the housing and support initiative were spent. The Executive Officer indicated he was not surprised at the underspend which was consistent with other states and territories.[249]

7.40 On the issue of negative gearing, the Committee was advised that ACT Shelter did not have an official view but that National Shelter had 'done some work around it' and 'has some concerns.'[250]

ST VINCENT DE PAUL SOCIETY, CANBERRA/GOULBURN

7.41 Representatives from the St Vincent de Paul Society, Canberra/Goulburn appeared before the Committee on 13 November 2014 to give evidence in relation to the Inquiry.

7.42 In his opening statement, the President of the St Vincent de Paul Society Canberra/Goulburn indicated that the Society:

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[246] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 58.
[247] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 59.
[248] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 60.
[249] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 60.
[250] Mr Travis Gilbert, *Transcript of evidence*, 13 November 2014, p. 61.

> ...is deeply concerned about poverty and need in the ACT in all its forms. Homelessness and housing stress have been a great concern to the society and its members, and this concern has been accentuated in recent years.[251]

7.43 In regard to concerns about statistics on homelessness given the changing definitions of 'homelessness' the President expressed the view that 'homelessness and housing stress continue to be a key element of poverty in Canberra.'[252]

7.44 In regard to the Society's response to the performance audit report, the President expressed the view:

> The value of an audit of this nature is the opportunity to learn from the experience and feed that information into future work. The essence of our response is that the focus of the audit was not appropriately targeted so as to enable such learnings to be developed. The focus seems to have been on where and how accountably the majority of money was spent. This is a financial efficiency focus, not a social outcome focus, and we see this as a lost opportunity. We do not disparage the importance of good financial oversight; money used inefficiently is money not available for more good work. But we are of the view that a stronger focus on the outcomes would have provided a better insight for the efficacy of this expenditure.[253]

7.45 The President noted that the Society's street to home program was not audited but pointed out that while homelessness increased between 2006 and 2011, the number of rough sleepers declined by almost 50 per cent and the Society was 'incredibly proud of this result.'[254]

7.46 The President identified two areas where 'real progress could be made'. He urged that all governments recognise 'access to housing as a human right' and argued that:

> ...there remains a fundamental problem with the supply of affordable and social housing. The unwillingness of governments to address the supply side of the housing problem is a critical element of homelessness across Australia, including the ACT....the most common blockage in access to service is not in access to crisis support but in exit points to affordable housing for those persons we are already supporting.[255]

7.47 The Committee requested an update on the Society's street to home program. The Director of Special Works advised that the program:

> ...has been very successful, primarily through looking at things differently in terms of using an assertive outreach model...We have quite literally seen dozens of people in

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[251] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 62.
[252] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 63.
[253] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 63.
[254] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 63.
[255] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 64.

> Canberra that have been homeless for up to decades and have now been housed through the program, so it has been an absolutely fantastic result.'[256]

7.48 The Committee asked what more needs to happen to respond to homelessness other than 'build more houses'. The President advised that the Society's view was that 'the supply side is absolutely critical...We think that government has a key responsibility in this area.'[257] He argued that this needs to be done at a national level and that adequate attention be given to the complexity of people and their housing needs.[258] He argued that 'sometimes when people's immediate needs are desperate you have to respond to those immediate needs. You cannot ignore them.'[259] However, he added:

> I think that the long-term solution is in fact action to dramatically increase the supply...But we ought to be able to find the resources to provide enough housing for everybody in this country who needs it. In the meantime the solutions to housing people while we are getting there really involve improving the ability to access the existing housing stock by people who are locked out by the existing costs of housing, particularly rental.[260]

7.49 The Committee was interested to hear from the Director of Special Works about the Foyer model and was told:

> The Foyer model is a good model. For better or worse, it links support predicated on mutual obligation. It is the concept of: "Let us come in; let us get accommodated; let us actually support you. But at the same time let us really understand that you are a young person and we want to get your development and life back on track, so let us get you back in education and training." That sort of model is really important ...[261]

7.50 This led to discussion about the impact of homelessness on young people and the importance of pre-intervention. The Director of Special Works explained:

> What we see often, and what the research will show you, is that if a young person gets engaged in the chronic cycle of homelessness from a young age, their long-term prospects are nil. They will be in that sort of homelessness cycle for the rest of their life.
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> ...I think pre-intervention is really important. I think that is a really big focus....What we need to see extra is those pre-intervention services, engaging those people very early in the cycle of homelessness, very early in the cycle of poverty. And it is engaging

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[256] Mr Shannon Pickles, *Transcript of evidence*, 13 November 2014, p. 65.
[257] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 65.
[258] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 65.
[259] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 66.
[260] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 66.
[261] Mr Shannon Pickles, *Transcript of evidence*, 13 November 2014, p. 68.

> children that come from families of poverty, of trauma, because that is where often this will start. If you look at the statistics around the number of people that are homeless that have experienced childhood trauma, it is very high. That is a very real issue. We also need more trauma counselling, so more free access to counselling services.[262]

7.51 The Committee asked whether the Society's street to home program would come to an end if funding through the NPAH ceased. It was told:

> It is funded under NPAH, so I think the obvious answer would be yes.[263]

7.52 The Committee was interested to hear the Society's views about data collection arrangements and whether there were different kinds of data that could be usefully collected. The Director of Special Works commented on the specialist homelessness information platform (SHIP):

> In terms of SHIP data, it is extremely quantitative data...What is really lacking is outcomes-driven data...There is very little longitudinal examination of the data that is provided. [264]

7.53 He advised that it was only in the last six months that a new outcomes reporting based framework had been trialled and this is 'a very good way forward.' However, 'we do need that training...and I think that training needs to be around consistency.'[265]

7.54 The Committee discussed the redevelopment of ABC flats and other large complexes and how the government should manage the people who live there.[266] The Director of Special Works acknowledged that a lot of consultation had occurred but stated:

> My biggest concern around that whole redevelopment process is that they are not increasing the number of dwellings...I would really like to see more properties, because I can guarantee we need them.[267]

7.55 With regards to how the government could find out where the people concerned want to live, the President emphasised:

> In terms of the government finding out the needs, the best thing to do is actually to sit down and talk to them as individuals. There will not be any sort of one-size-fits-all solution. Treat everybody as a unique individual and spend time talking through the situation with them. Understand that you will have varying degrees of literacy, varying

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[262] Mr Shannon Pickles, *Transcript of evidence*, 13 November 2014, p. 68.
[263] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 69.
[264] Mr Shannon Pickles, *Transcript of evidence*, 13 November 2014, p. 69.
[265] Mr Shannon Pickles, *Transcript of evidence*, 13 November 2014, p. 70.
[266] *Transcript of evidence*, 13 November 2014, pp. 70-71.
[267] Mr Shannon Pickles, *Transcript of evidence*, 13 November 2014, p. 71.

> degrees of life skills and varying degrees of capability to deal with the complexity of this situation.[268]

7.56 The Committee referred to the human services blueprint project being piloted in west Belconnen.[269] In response the Director of Special Works stated:

> It is a good project and a good start. My concern is that the only way someone gets flagged through that process is when things have already started going really badly...When I think of pre-intervention, I really want us to try and think of much earlier.[270]

7.57 The Committee also heard about various factors that sustain people in poverty; a family mentoring program being run by the Society of St Vincent de Paul in Western Australia; as well an Indigenous program by a group called Malpa.[271]

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[268] Mr Frank Brassil, *Transcript of evidence*, 13 November 2014, p. 72.
[269] *Transcript of evidence*, 13 November 2014, p. 72.
[270] Mr Shannon Pickles, *Transcript of evidence*, 13 November 2014, p. 73.
[271] *Transcript of evidence*, 13 November 2014, pp. 73; 74.

8 COMMITTEE COMMENT

Marley's Ghost in Charles Dickens—A Christmas Carol—lamenting on lost opportunities to serve mankind:

'But you were always a good man of business, Jacob,' faltered Scrooge, who now began to apply this to himself.

'Business!' cried the Ghost, wringing its hands again. 'Mankind was my business. The common welfare was my business; charity, mercy, forbearance, and benevolence, were, all, my business. The dealings of my trade were but a drop of water in the comprehensive ocean of my business!'

Charles Dickens—A Christmas Carol

8.1 It is the Committee's view that the right to safe and adequate housing or shelter is everyone's business—it is about the measure of a society and the key entities that comprise it—governments, business, citizens and the community as a whole.

8.2 According to Article 11 of the *International Covenant on Economic, Social and Cultural Rights*, the right to 'safe and adequate housing' is a core element of the 'right to an adequate standard of living'.[272] Importantly, the right to 'safe and adequate housing' does not charge government with building houses for everyone in the community but:

> Rather, the right to adequate housing covers measures that are needed to prevent homelessness, prohibit forced evictions, address discrimination, focus on the most vulnerable and marginalized groups, ensure security of tenure to all, and guarantee that everyone's housing is adequate. These measures can require intervention from the Government at various levels: legislative, administrative, policy or spending priorities. It can be implemented through an enabling approach to shelter where the Government, rather than playing the role of housing provider, becomes the facilitator of the actions of all participants in the production and improvement of shelter...
>
> In specific cases, however, the State may have to provide direct assistance, including housing or housing allowances, notably to people affected by disasters (natural or man-made) and to the most vulnerable groups in society.[273]

[272] Office of the High Commissioner for Human Rights (1991), *The right to adequate housing (Art.11 (1)): CESCR General comment 4,* 13 December.

[273] Office of the United Nations High Commissioner for Human Rights (1991), *The Right to Adequate Housing Fact Sheet No. 21/Rev.1*, p. 6.

8.3 In reviewing the findings and recommendations of the Auditor-General, government responses to the Audit findings and recommendations, and the contributions of other witnesses and submitters, the Committee wishes to make a number of overarching observations before setting out its findings and recommendations.

8.4 The Committee acknowledges that there are a myriad of factors underlying a path to homelessness. These can include: structural factors such as unemployment and poverty, the housing market, the economy, in some circumstances—the impact of social policy, and individual and personal factors.[274]

8.5 The Committee takes the view that—given its complexity and underlying risk factors—the response to homelessness requires a coordinated and national approach, with flexibility to provide options that can respond to individual circumstances rather than a "one size fits all" approach.

8.6 The Committee notes the fact that the policy response to homelessness spans multiple levels of government with Commonwealth, state and territory policy levers coming into play.

DEFINING HOMELESSNESS

8.7 The definition for homelessness was changed between the 2006 and 2011 census. When comparing the number of people counted as homeless in the ACT between the 2006 and 2011 Census—there was an increase of 88 per cent from 949 in 2006 to 1,785 in 2011.[275]

8.8 The Government submitted that using the more recent definition has significantly increased the number of people who are counted as homeless in the ACT.[276] In essence, the Government argued that the increase in homelessness was attributable to a definitional change as opposed to an actual increase in numbers.

8.9 However, the Committee notes that when the 2011 census results were released they were able to be compared and contrasted with the 2006 results as the ABS reanalysed the 2006 data in the context of the new definition. On this basis, the Committee considers that the two census periods were in fact able to be compared, and that this comparison reflected an overall approximate increase of 17 per cent Australia-wide.[277]

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[274] D. Markwell, R. Thompson and J. Leeser (eds.) 2013. *State of the Nation—Aspects of Australian Public Policy*, Connor Court Publishing: Ballan Victoria.

[275] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 16.

[276] ACT Auditor-General's Report No. 4 of 2013, *National Partnership Agreement on Homelessness*, June 2013, p. 16.

[277] Ms Nicole Lawder MLA, *Transcript of evidence*, 17 October 2014, p. 5.

8.10 In light of this the Committee is of the view that it is not accurate to suggest that an increase of 88 per cent in the rate of homelessness in the ACT between 2006 and 2011 was in the main attributable to changes in definition. The Committee notes that this is supported by reports by service providers experiencing high levels demand for assistance, and of numbers of people being turned away due to demand outstripping supply.

8.11 It is the Committee's view that the first step in designing effective policies and programs on homelessness is to first understand and acknowledge the magnitude of the problem, and that the reported 88 per cent increase in the number of people counted as homeless in the ACT is statistically significant figure which requires urgent attention by government.

POLICIES AND PROGRAMS TARGETING HOMELESSNESS

8.12 A key focus of the Committee's Inquiry has been to consider the success and effectiveness of policies and programs targeting homelessness in light of the Auditor-General report.

8.13 Several submitters to the Inquiry felt that the Audit had not adequately assessed whether programs under the NPAH were making a difference to rates of homelessness and that, in light of this, the Audit was a missed opportunity to evaluate the quantum of funding made available under the program.[278]

8.14 The Committee views with concern the fact that for the two programs and the initiative examined by the Audit, the effect of these programs on rates of homelessness was unable to be determined. In part this was because performance information was focused on outputs—key deliverables and targets—rather than outcomes. An important further aspect of this shortcoming was the absence of a robust performance measurement framework to determine program effectiveness and outcomes.

8.15 The Committee notes that the Auditor-General found that the two programs and initiative she examined had not only met their respective targets, but exceeded them.

8.16 However, the Committee finds persuasive those witnesses who criticise what they see as insufficient attention to whether the program reduced the prevalence of homelessness. These include the view of St Vincent de Paul that, in the main, the focus of the Audit had been on determining that the Government had met its performance measures under the NPAH with respect to financial and output acquittals, and too little on outcomes.

[278] Submission No. 2, St Vincent de Paul Society Canberra/Goulburn, p. 1.

8.17 Other evidence suggested that the parameter—i.e. funding percentage—used to select the programs for audit was a poor criterion and that other criteria—such as throughput, target groups and numbers—would have supported a selection of programs for audit that would have been more representative of the broader stream of work taking place under the NPAH.

8.18 In the Committee's view, measuring or evaluating the effectiveness of policies and programs targeting homelessness should include considerations of:

- (i) the extent to which programs are responsive to short term need or crisis support; and
- (ii) the extent to which programs support exit points from these programs.

8.19 While the Committee acknowledges that short term programs providing crisis support is a fundamental requirement for those in need, the evidence suggests that long term use of crisis services for homelessness is more expensive to government and the community than providing integrated housing and support.[279]

8.20 In the Committee's view heavy reliance on short-term programs is also likely to be less beneficial to clients than programs which follow-through and result in clients exiting the support system and taking up places in stable long-term accommodation.

MEASURING AND EVALUATING EFFECTIVENESS

8.21 The Committee is concerned at the Auditor-General's finding that program effectiveness was unable to be ascertained by the Audit.

8.22 In the Committee's view there appear to be a number of contributors to this state of affairs.

8.23 First, the Committee was concerned at the Auditor-General's findings that indicators reported on did 'not provide information on the actual success of the Initiative'. In the Committee's view, being unable to make a connection between indicators and outcomes, measurement and accountability increases the risk that program measurement will report on arbitrary indicators rather than results. In any program this would be a concern, but when programs are intended to respond to something as significant and harmful as homelessness, this must raise important questions about the approach employed.[280]

8.24 Second, the Committee notes the Auditor-General's observation that such indicators as were used lacked 'a precise description of how they [were] being measured'.[281]

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[279] Gronda, H. (2009) *Evidence to inform a NSW homelessness action priorities*, Australian Housing and Urban Research Institute (AHURI).

[280] ACT Auditor-General's Report No. 4 of 2013, National Partnership Agreement on Homelessness, June 2013, pp. 60; 61.

[281] ACT Auditor-General's Report No. 4 of 2013, National Partnership Agreement on Homelessness, June 2013, pp. 60; 61.

This, in the Committee's view, goes against accepted practices of contemporary program management and evaluation, where evaluation processes are conceived at the same time as programs are designed, before implementation, and data gathering evaluation begins with the start of the program.

8.25 In the Committee's view it is significant that contributions from the ACT community sector voiced strong concerns about data gathering and use in connection with programs on homelessness.[282] The Committee's view in response to this, the Auditor-General's remarks and responses from other contributors, is that it appears that the ACT Government would do well to foster an improving culture of evaluation.

8.26 Third, and possibly contributing to deficiencies in program measurement and evaluation, agencies appeared to be unaware of work done by the ABS to support comparisons of rates of homelessness before and after the change of definition of homelessness. In the absence of such awareness the agencies concluded that year-on-year comparisons were not possible to achieve, which was not correct. Unfortunately, in the Committee's view, this has led to a lack of awareness, or even denial, of rising rates of homelessness by government agencies central to the response to homelessness.

8.27 In the Committee's view, as stated above, it is only possible to frame appropriate and effectiveprograms when the nature of a particular problem is correctly measured and understood. Of course, the Committee acknowledges that in the real world it is not always possible to have access to such information at every stage of program development, implementation, and evaluation. In this instance however, tools have been available which, if taken up, would have given agencies a more accurate picture of the problem and then, by a process of iteration, frame and adjust programs accordingly.

8.28 A fourth problem in measuring and evaluating effectiveness of the audited programs is, in the Committee's view, rather more mundane. While the Committee acknowledges the administrative and legislative changes initiated by government to regularise the administration of programs by third parties (in this case Non-Government Organisations), many of the gaps in program practice and evaluation reported in the Audit could, and should, have been avoided by simple adherence to accepted practice. In the Committee's view, government agencies should have been in a position to guide and counsel third party providers so that these departures from accepted practice were avoided.[283]

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[282] See Ms Susan Helyar, Transcript of evidence, 6 November 2014, pp. 42, 43; Mr Shannon Pickles, Transcript of evidence, 13 November 2014, p. 69;

[283] ACT Auditor-General's Report No. 4 of 2013, National Partnership Agreement on Homelessness, June 2013, p. 50.

8.29 However, the Committee also notes that these departures from accepted practice did not only occur in programs directly administered by third party providers, but also in areas under the direct administration of government agencies. The Auditor-General's identification of a lack of clarity on expenditures under the A Place to Call Home program is a case in point.[284] Accordingly, the Committee considers that the Government should give due attention to adopting a better standard of practice, overall, to ensure that it is best placed to provide the reliable support and leadership to third party providers proposed by the Committee above.

8.30 The Committee therefore makes the following recommendations.

Recommendation 1

8.31 The Committee recommends that the ACT Government should design and implement a homelessness framework which provides for:

- **evidence-based design and development of indicators;**
- **consistent standards in measuring against those indicators;**
- **their use among government and non-government agencies engaged in delivering programs;**
- **the integration of these indicators from program inception; and**
- **measurement against these indicators from the time of program rollout.**

Recommendation 2

8.32 The Committee recommends that the ACT Government, unless extraordinary circumstances prevail, refrain from changing parameters part way through projects to ensure consistent reporting and acquittal processes are used to prevent poor value for money outcomes.

Recommendation 3

8.33 The Committee recommends that the ACT Government model for, and require of, its third party program providers:

- **a consistent and meaningful practice of acquittal for program funds; and**
- **consistent use of written contracts to support all contracting and sub-contracting under programs in receipt of public monies.**

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[284] ACT Auditor-General's Report No. 4 of 2013, National Partnership Agreement on Homelessness, June 2013, p. 32.

Recommendation 4

8.34 The Committee recommends that the ACT Government, in its role as contract manager, enforce service funding agreements more closely to ensure timely and responsive reporting and acquittal from other parties, or if overtime, ensure reasons and discussions on next steps are clearly documented.

Recommendation 5

8.35 The Committee recommends that the ACT Government provide an update to the Assembly on progress in making legislative amendments to the *Associations Incorporation Act 1991* reflected in contract management practice.

Recommendation 6

8.36 The Committee recommends that funding arrangements include more performance indicators relating to measuring success of programs, not solely contractual compliance.

Recommendation 7

8.37 The Committee recommends that the ACT Government focus on establishing consistent, streamlined processes to report on actual expenditure and budget and ensure that reporting to the Commonwealth is consistent with that.

AFFORDABLE HOUSING

8.38 The Committee notes close connections between homelessness and housing affordability. In the Committee's view, clients engaged by homelessness programs are likely to have extended contacts with those or similar programs unless access to affordable housing provides an exit from program support.

8.39 In connection with this, the Committee notes the observations of Piscetek (2014), who writes:

> Housing markets, at the simplest level, provide a source of shelter for individuals, meeting a basic human need. Furthermore, housing affordability is not just the dollar cost of housing; it also includes the opportunity cost associated with choosing to live in one location over another.

> Given its importance to the social fabric of society, housing affordability is an important component of government policy – at the local, state and territory and federal levels.[285]

8.40 In light of this, the Committee takes the view that affordable housing and homelessness are inextricably linked: the supply side of affordable housing is critical in providing sustainable exits from homelessness. Moreover, and importantly, housing affordability, as a social construct that links the concepts of income and consumption, is susceptible to deliberate action by Government.

8.41 In evidence, the Director of ACTCOSS underscored the importance of affordable housing in preventing homelessness. The lack of affordable housing was, she told the Committee, often the 'fundamental cause' of homelessness,[286] and should be a central focus of the ongoing response to homelessness outlined under the 'services map' developed in the ACT which:

> basically outlines what the community and government have agreed needs to be available to the ACT community to prevent problems, intervene early, respond to crises, help to stabilise people's circumstances and maintain affordable and appropriate housing long term.[287]

8.42 The Committee notes that these comments were echoed by other contributors to the Inquiry such as the St Vincent de Paul Society, which told the Committee that in its view 'the supply issue is absolutely critical', and that 'what is really needed is a substantial increase in the total investment in this level of housing in our community by a very significant degree'.[288]

8.43 Moreover, the President of the Society told the Committee, this needed 'to be done across Australia', otherwise it would result in 'a lot of people moving to the ACT, which moves a problem and does not solve it'.[289]

ACT Government and housing affordability

8.44 The Committee notes that the ACT is unique among Australian jurisdictions in that the Government has a monopoly on land planning and supply. This accords the ACT Government a greater discretion than governments of other jurisdictions on which and how much land is to be released to market, and for what purposes.

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[285] Piscetek, M. (2014) The Economics of Affordable Housing: An investigation into the Western Australian residential property market, School of Economics and Finance, Curtin University, p. ii.
[286] Ms Susan Helyar, Transcript of Evidence, 6 November 2014, pp.39, 40-41.
[287] Ms Susan Helyar, Transcript of Evidence, 6 November 2014, pp. 46-47.
[288] Mr Frank Brassil, Transcript of Evidence, 13 November 2014, p.65.
[289] Mr Frank Brassil, Transcript of Evidence, 13 November 2014, p.65.

8.45 In discussing the ACT Government's role in housing affordability, the Committee wishes to acknowledge current features under the government's administration which support housing affordability. These include:

- the Land Rent Scheme, which is part of the ACT Government's Affordable Housing Action Plan, commenced on 1 July 2008, which allows lessees to rent rather than purchase land on which to build a home with the intention of reducing the upfront costs of buying a house;[290]
- a shared equity scheme for public housing tenants which is designed to support successful transition for tenants into home ownership;[291] and
- a housing initiative by the ACT Affordable Rental Office which has improved housing affordability for older people 'experiencing private rental housing stress'. In the main, to date, this has been women experiencing relationship and family breakdown.[292]

8.46 The Committee also acknowledges that the Government has made changes to stamp duty which will also make a contribution to housing affordability in the ACT.[293]

8.47 In the Committee's view it is open to the ACT Government not only to influence housing affordability overall, by means of the broad instrument of determining housing supply in general. It is also open to government to release land, or parts of land releases, designated for affordable housing. The Committee is aware that this has been a component of various housing developments in the ACT to date, however it would seem, in light of evidence suggesting an increase in homelessness in the ACT, that further consideration be given to expanding the use of this mechanism.

8.48 In brief, there is an opportunity cost where government fails to support a reasonable supply of affordable housing, which includes the cost to government of providing increased demand for other services generated by homelessness and its wider effects. In the Committee's view in a jurisdiction such as the ACT, where government holds a greater discretion over land release, there are strong arguments for government taking a more active role in ensuring that affordable housing occupies an appropriate sector of the overall housing market.

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[290] ACT Government. (2014) Submission to Senate Economics References Committee Inquiry into Affordable Housing; EpicDotGov, *Post Implementation Review of the ACT Land Rent Scheme,* April 2012, p. 7; ACT Revenue Office, 'Land Rent', 12 December 2012, accessed 14 March 2013, http://www.revenue.act.gov.au/home_buyer_assistance/land_rent_scheme

[291] ACT Government. (2014) Submission to Senate Economics References Committee Inquiry into Affordable Housing.

[292] ACT Government. (2014) Submission to Senate Economics References Committee Inquiry into Affordable Housing.

[293] ACT Government media release, 'ACT Budget 2015 announcement: Cuts to stamp duty and insurance tax', viewed 4 June 2015 and available at: http://www.cmd.act.gov.au/open_government/inform/act_government_media_releases/barr/2015/act-budget-2015-announcement-cuts-to-stamp-duty-and-insurance-tax

8.49 In the Committee's view, there is also a further avenue open to the ACT Government through which it can contribute to housing affordability and thus exert downward pressure on rates of homelessness. A number of voices in the public arena have asserted that negative gearing (where some costs for non-resident dwelling owners are written-off against their tax liabilities), while originally framed to increase housing supply, has in fact resulted in a steady climb of prices for housing.[294] In the Committee's view it remains opens to the ACT Government to make representations in inter-governmental forums, such as the Council of Australian Governments (COAG), that present arrangements providing for negative gearing be adjusted so as to improve housing affordability.

8.50 The Committee therefore makes the following recommendations.

Recommendation 8

8.51 The Committee recommends that the ACT Government, in recognition of the relationship between homelessness and housing affordability, further exercise its discretion over land release and planning as part of its response to homelessness.

Recommendation 9

8.52 The Committee recommends that the ACT Government make representations in inter-governmental forums, such as those provided under the Council of Australian Governments (COAG), that present arrangements providing for negative gearing be considered so as to improve housing affordability.

Recommendation 10

8.53 The Committee recommends that the ACT Government assess progress against headline goals and interim goals as set out in the Commonwealth Government white paper *The Road Home: A National Approach to Reducing Homelessness* and advise the Assembly of progress against those goals.

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[294] See for example Greg Jericho, 'Negative gearing: a legal tax rort for rich investors that reduces housing affordability', *The Guardian*, Thursday 19 March 2015, viewed 4 June 2015, available at: http://www.theguardian.com/business/grogonomics/2015/mar/19/negative-gearing-a-legal-tax-rort-for-rich-investors-that-reduces-housing-affordability ; see also Philip Soos, 'It's time to abolish negative gearing', The Conversation, 1 October 2012, viewed 4 June 2015 and available at: http://theconversation.com/its-time-to-abolish-negative-gearing-9879

9 CONCLUSION

9.1 The Committee wishes to thank all of the organisations that, and individuals who, have contributed to its Inquiry, by making submissions, providing additional information, and/or appearing before it to give evidence.

9.2 The Committee recognises the commitment of time and resources required to participate in an Inquiry of this nature and are grateful that it was able to draw on a broad range of expertise and experience in its deliberations.

9.3 The right to safe and adequate housing or shelter is everyone's business—it is about the measure of a society and the actions of the key entities that comprise it—governments, business, citizens and the community as a whole. This Audit has therefore been important in examining the implementation of selected programs and initiatives under the National Partnership Agreement on Homelessness.

9.4 The Committee has made **ten** recommendations in relation to its Inquiry into Auditor-General's report No. 4 of 2013: *National Partnership Agreement on Homelessness*.

Brendan Smyth MLA

Chair

October 2015

Appendix A COMMITTEE PUBLIC HEARINGS

The following witnesses appeared before the Committee at public hearings:

Public hearing of Friday 17 October 2014

Dr Maxine Cooper

ACT Auditor-General—ACT Audit Office

- Mr Brett Stanton, Director, Performance Audits, ACT Audit Office
- Mr Russell Hearne, Audit Manager, ACT Audit Office

Mr Andrew Barr MLA

Minister for Housing

- Mr David Matthews, Executive Director, Housing and Community Services ACT, Community Services Directorate
- Ms Maureen Sheehan, Executive Director, Service Strategy and Community Building, Community Services Directorate

Public hearing of Thursday 6 November 2014

- Ms Susan Helyar, Director, ACT Council of Social Service Inc

Public hearing of Thursday 13 November 2014

- Mr Travis Gilbert, Executive Officer, ACT Shelter Incorporated
- Mr Frank Brassil, President, St Vincent de Paul Society, Canberra/Goulburn
- Mr Shannon Pickles, Director of Special Works, St Vincent de Paul Society, Canberra/Goulburn

Appendix B LIST OF WRITTEN SUBMISSIONS

Submission No. 1—Government Submission

Submission No. 2—St Vincent de Paul Canberra/Goulburn

Submission No. 3—Confidential submission

Submission No. 4—Youth Coalition of the ACT

Submission No. 5—ACT Council of Social Service Inc

Submission No. 6—Anglicare