

2016

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

GOVERNMENT RESPONSE

**STANDING COMMITTEE ON PUBLIC ACCOUNTS REPORT 16
- REVIEW OF AUDITOR-GENERAL'S REPORT NO.4 OF 2013
NATIONAL PARTNERSHIP AGREEMENT ON HOMELESSNESS**

**Authorised by
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Minster for Housing, Community Services and Social Inclusion**

Introduction

The National Partnership Agreement on Homelessness (NPAH) reviewed by the Auditor-General has since been superseded by the 2015-2017 NPAH agreement, signed by the then Commonwealth Minister for Social Services, Mr Scott Morrison in August 2015. As such, the current 2015-2017 NPAH agreement reflects Commonwealth identified priority areas that were not part of the previous audited NPAH.

The ACT's current NPAH continues to meet broad ranging objectives of providing support to people experiencing or at risk of homelessness. In addition, the new agreement provides assurance that 25 per cent of matched funding each year is allocated across 3 priority areas:

- support services for women and children experiencing domestic and family violence;
- support services for youth between the ages of 12 and 24 who are homeless or at risk of homelessness; and
- support services for these children to maintain contact with the education system.

Unlike previous NPAHs, the current NPAH has only one performance indicator, which targets domestic violence and youth homelessness services. The previous indicators are now captured under the reporting requirements of the current NPAH. It was agreed between jurisdictions and the Commonwealth that service delivery levels were maintained and the client outcomes would now be reported by AIHW through the Specialist Homelessness Services Collection (SHSC).

On 19 June 2013, the Auditor-General tabled Audit Report No.4 of 2013: National Partnership Agreement on Homelessness (NPAH) in the ACT Legislative Assembly. The Audit Report incorporates the management response from the Community Services Directorate (CSD).

The aim of the Auditor-General's report was to provide an independent opinion on whether the ACT Government was meeting its obligations under the NPAH and if this was making a difference to the lives of people experiencing homelessness.

In undertaking the audit, the Auditor-General reviewed three initiatives which account for 60 percent of ACT funding under the NPAH. They are:

- Our Place – a youth integrated education and accommodation service;
- A Place to Call Home – a capital development and support initiative providing purpose built accommodation for 20 families as a direct response to homelessness; and
- Housing and Accommodation Support Initiative – a program that supports clients with moderate to severe mental illness to help them to sustain their tenancies and access brokered community supports.

On 11 October 2013, the Standing Committee on Public Accounts (the Committee) received the Government Submission to the Auditor-General's Performance Report No.4 of 2013: National Partnership Agreement on Homelessness. The Government submission provided information on reforms relevant to the findings of the Auditor-General and outlined specific improvements to address recommendations. The Committee resolved to inquire further into the Audit Report in March 2014. The review concluded in October 2015.

Although the Committee was satisfied the CSD had addressed, or was in the process of addressing, matters requiring attention, it expressed concern the Auditor-General could not ascertain the effect of NPAH programs on homelessness levels in the Territory.

Accordingly, the Committee resolved to conduct an in-depth review of the Audit by addressing the following matters:

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

The Committee makes ten recommendations which broadly focus on:

- a) measuring and evaluating the effectiveness of the NPAH
- b) the correlation between homelessness, housing affordability and land release; and
- c) representation to Commonwealth agencies and inter-governmental forums on housing affordability and progress towards national goals.

Government's Response to the Standing Committee's Recommendations

Recommendation 1

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***

Government Position

The Government agrees.

A robust homelessness framework should be implemented from program inception, with programs being measured against set indicators from the time of program rollout, whilst remaining responsive to funding or other changes that may occur.

The development of performance indicators for homelessness measurement is a Commonwealth responsibility. Since 1 July 2011, data for the Specialist Homelessness Services collection (SHSC) has been submitted to the Australian Institute of Health and Welfare (AIHW). Specialist Homelessness Services (SHS) are required to report to AIHW. This data is forwarded to the Productivity Commission annually for the Report on Government Services.

The CSD is currently working with the Joint Pathways Executive Group on a co-design process to determine future homelessness service delivery in the Territory.

The Government released an evidence based research paper 'The Road Ahead' in September 2015 to guide the co-design process. The paper is based on a 2014 independent evaluation of reforms that have taken place in the Specialist Homelessness sector since the Commonwealth's White Paper: The Road Home was released.

In early 2014, the ACT Government developed the Outcome Reporting Framework. This framework aligns with the SHSC data and is coupled with case studies to provide more qualitative information and supplement the data.

The Outcomes Reporting Framework was developed with the SHS and has been implemented consistently since 2014. All services are required to report to ACT Government every six months within the Outcomes Framework.

The Government will be entering into new Service Funding Agreements (SFAs) with providers in mid-2016 aligned with outcome reporting developed by the AIHW. These will be integrated from the implementation of the new SFAs and will remain consistent across the length of the agreements as far as possible.

Recommendation 2

The ACT Government should, 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.

Government Position

The Government **agrees**.

Parameters should not be changed part way through projects, unless absolutely necessary or circumstances dictate. This will improve consistency of reporting, measurement of outcomes and acquittal of funds.

The Government however, continues to work within the wider funding context and changing national priorities as they occur, such as the emerging National Partnership Agreement on Homelessness (NPAH) focus on domestic violence. As mentioned above, over the past six years, the ACT Specialist Homelessness Sector has been subject to significant reform resulting in changed funding arrangements.

New contracts to be implemented from mid 2016 will alleviate or minimise the risks of changing parameters part way through projects.

Recommendation 3

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***

Government Position

The Government **agrees**.

This recommendation has been implemented. Consistent and meaningful acquittal of program expenditure from services on an annual basis are required.

On 1 July 2013, all SFAs were updated with contractual terms regarding sub-contracting.

Two organisations funded under the NPAH operate under sub-contracting arrangements. The Government requires both organisations to fully comply with their contractual requirements.

Recommendation 4

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.

Government Position

The Government **agrees**.

The CSD closely monitors SFAs and requires all community organisations to submit six monthly written reports. These are assessed against SFAs with follow up service visits within two months to discuss any issues raised. Seven days after an obligation under the contract falls due and has not been provided, the Directorate's Contracts and Grants Unit sends organisations a reminder. At 14 days, relevant Relationship Managers in the Directorate follow up directly with service providers.

The objective of the Red Tape Reduction reforms was to minimise regulatory and relationship costs and effort for both Government and the Community Sector. Under these reforms, the CSD's funding agreements with the community sector continue to be assessed to determine if simpler forms of agreement, and simpler forms of reporting, are appropriate.

Recommendation 5

The ACT Government provide an update to the Assembly on progress in making legislative amendments to the Associations Incorporations Act 1991 reflected in contract management practice.

Government Position

The Government **agrees**.

The Government response will be tabled in the Legislative Assembly during the February 2016 sitting period.

Legislative changes to the Associations Incorporation Act 1991 have been incorporated into all contracts administered by the Community Services Directorate.

In 2012-13, the ACT Government doubled the threshold before an incorporated association is required to appoint an auditor. Incorporated organisations are required to appoint an auditor registered under the Corporations Act 2001 if their gross receipts are greater than \$1,000,000. This is a doubling of the previous threshold and is in line with the threshold applied by the Australian Charities and Not-for-Profit Commission.

Recommendation 6

Funding arrangements should include more performance indicators relating to measuring success of programs, not solely contractual compliance.

Government Position

The Government **agrees**.

The ACT SHS (Specialist Homelessness Services) Outcomes Reporting Framework aligns with the AIHW homelessness data collection which reports on outcomes for:

- the number of clients supported by the program each year;
- the demographic characteristics of SHS clients;
- the type of support required by SHS clients and the extent to which support was provided;
- the circumstances of SHS clients before and after support; and
- the number of unassisted requests for service.

Organisations funded by the ACT Government are also required to provide case studies and responses in each reporting period that demonstrate the success of their programs as well as their contractual compliance.

Recommendation 7

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

Government Position

The Government **agrees**.

The Community Sector Reform Project has implemented consistent financial reporting arrangements across the CSD.

The Community Sector Reform Project has implemented consistent financial reporting arrangements across the Community Services Directorate.

Previously, community organisations were required to submit bi-annual financial statements to the Directorate. This has been replaced with an annual requirement.

Territory initiatives and programs funded under the National Partnership Agreement on Homelessness: 2015-17 are listed in a yet to be released ACT Project Plan of the National Partnership Agreement. In accordance with this plan, the ACT is required to provide the Commonwealth with annual updates on program outputs, evaluations and actual expenditure. The ACT NPAH Project Plan will be published on the Australian Government Federal Financial Relations website early in 2016.

Processes implemented under the Community Sector Reform Project are consistent with Commonwealth reporting requirements under the National Partnership Agreement: 2015-17.

Recommendation 8

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

Government Position

The Government **agrees**.

Response lead by CMTEDD. Ensuring access to affordable, public and supportive housing is a key priority in framing the ACT Government's four year indicative land release program. Work is currently underway to ensure the 2016-17 to 2019-20 program facilitates the provision of affordable housing choices. This includes identifying Community Facilities sites which may be suitable for public and supportive housing.

Recommendation 9

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

Government Position

The Government **agrees**.

Response lead by CMTEDD. Within the intergovernmental forums, a range of options to address housing affordability are being reviewed which focus on greater access to affordable housing, increasing supply and better access for vulnerable people to social housing. These options are being considered in the broader context of the national debate on economic reform, taxation and revenue issues ensuring a fair and equitable outcome for jurisdictions.

Recommendation 10

The ACT Government should assess progress against headline goals and interim goals set out in the Commonwealth Government white paper *The Road Home: A National Approach to Reducing Homelessness* and advise the Assembly against these goals

Government Position

The Government **agrees**.

The Government remains committed to addressing homelessness and the social and economic impacts that homelessness brings to our community.

The ACT has been a signatory to the NPAH since its inception. Homelessness in the ACT is also addressed with funding from the Government appropriation and the National Affordable Housing Agreement (NAHA).

In 2015-16, ACT Government expenditure on homelessness services is estimated to be \$19.6 million. Of this, the Territory continues to fund services, more than the NPAH requirement of \$1.18 million to match Commonwealth funding, sourcing this from the ACT Government appropriation.

The ACT continues to agree with the aspirational objective of the NAHA. That is, that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation.

The Government acknowledges that it is difficult to measure progress towards the aspirational goals of the Commonwealth's White Paper – *The Road Home: A National Approach to Reducing Homelessness*.

The Australian Bureau of Statistics Census is the only measure of homelessness across Australia and the Commonwealth uses this to measure homelessness. The last count was in 2011.