



Auditor-General for the Northern Territory
Auditing for Parliament

March 2013

Report to the Legislative Assembly



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Northern Territory Auditor-General's Office

Auditing for Parliament

The Honourable the Speaker of the Legislative
Assembly of the Northern Territory
Parliament House
Darwin NT 0800

27 March 2013

Dear Madam Speaker,

Accompanying this letter is my report to the Legislative Assembly on matters arising from audits that were completed during January and February 2013.

I request that you table the report today in the Legislative Assembly.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'F. McGuinness'.

F McGuinness
Auditor-General for the Northern Territory

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Auditor-General's Overview

Audits included in this report

This report includes the results of two significant audits that were completed in the period immediately following the tabling of my February 2013 report in the Legislative Assembly.

The first is a post-implementation review of an information technology project intended to replace a number of discrete and aging asset management systems that were in use across most Agencies. I first reported to the Legislative Assembly about the status of this project in February 2011, drawing attention to inadequate resources available to the project, cost over-runs, and current and emerging project risks.

Most elements of the new system “went live” in April 2012 with user Agencies encountering difficulties in the period that followed. In the light of those experiences I undertook a post-implementation review in an attempt to identify the factors that might have contributed to the sub-optimal outcome while, at the same time, also attempting to provide some guidance that might assist in avoiding similar outcomes for future projects.

The second of the large audits was a performance management system audit that focused on the National Partnership Agreement on Homelessness. This audit was undertaken as part of a concurrent audit, which saw Auditors-General from each jurisdiction, including the Commonwealth, examine programs that fell within the scope of the Agreement in order to form an opinion on whether the programs were being delivered effectively and efficiently, and whether they were having an effect upon homelessness.

This is the first example of a concurrent audit with which my Office has been involved and it is possible others may be performed in the future.

The completion of the two audits referred to above has also provided an opportunity to report on the audit of the Cobourg Peninsula Sanctuary and Marine Park Board. Although the audit work required to form an opinion on the Board's financial statements was completed some months ago, the Board was not in a position to ratify its financial statements. Accordingly I am yet to receive a final copy of the financial statements and to issue an audit opinion, but expect to do shortly.

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Reports on the Results of Audits

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Cobourg Peninsula Sanctuary and Marine Park Board

Audit Findings and Analysis of the Financial Statements for the Year Ended 30 June 2012

Background

The Cobourg Peninsula Sanctuary and Marine Park Board (the Board) was formed in 1981 under the *Cobourg Peninsula Aboriginal Land, Sanctuary and Marine Park Act* to acknowledge and secure the right of Aboriginals to occupy and use certain land on the Cobourg Peninsula, to vest that land in trustees for Aboriginals, to declare that land to be a national park, while making provisions relating to the management of adjacent marine areas and for related purposes.

Audit Opinion

It has not been possible to obtain a signed copy of the financial statements because the Board has not been able to ratify the financial statements. Therefore no audit opinion had been issued as at the date on which this report was finalised.

Key Findings

As noted in my March 2012 report to the Legislative Assembly a land claim was lodged under the Aboriginal Land Rights (NT) Act in 1978 over the Cobourg Peninsula, and this resulted in the *Cobourg Peninsula Aboriginal Land, Sanctuary and Marine Park Act*. The land claim was never withdrawn and was subsequently re-activated.

The Board has reported that:

- Although the Territory Government and the traditional Aboriginal owners reached a positive outcome in 1981 with the establishment of the land trust and park board, the original Cobourg Peninsula Aboriginal Land Claim was not withdrawn. The implications of this have come to light only recently, and the Government has received advice on the impact of the land claim on the existing Cobourg arrangements.
- The Australian and Territory Governments are working with the Northern Land Council to resolve any potential issues as quickly as possible to ensure that arrangements for joint management continue.
- These discussions are expected to have minimal impact on visitors, residents and businesses in the Cobourg region.

Cobourg Peninsula Sanctuary and Marine Park Board cont...

Financial Performance for the year		
	2012	2011
	\$'000	\$'000
Income		
Grants and subsidies	5	20
Park Income	245	183
Payments to traditional owners	(200)	(151)
Other revenue	90	71
Total income	140	123
Expenditure		
Operational costs	(133)	(130)
Total expenditure	(133)	(130)
Surplus/(deficit) before income tax expense	7	(7)

Cobourg Peninsula Sanctuary and Marine Park Board cont...

Financial Position at year end

	2012	2011
	\$'000	\$'000
Cash and cash equivalents	216	241
Receivables and other current assets	23	62
Less current liabilities	(16)	(64)
Working capital	223	239
Add non-current assets	23	-
Less non-current liabilities	-	-
Net assets	246	239
Represented by:		
Reserves	246	239
Equity	246	239

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Department of Infrastructure – Asset Management System Project

Audit Findings and Analysis

Audit Scope and Objectives

The purpose of this audit was to review the design and management of the Asset Management System (AMS) implementation project with the view to identifying the principal factors that led to an apparent failure of the system to meet the needs of Northern Territory Government (NTG) users, and with a view to providing guidance for future, similar, projects. The audit focused on the project activities from the initiation of the project in July 2009 to the “go-live” in April 2012.

Background to the Project

In 2006, business case options were developed to upgrade the then Department of Planning and Infrastructure’s aging asset management information systems and business processes. The objective was to replace nine existing legacy systems with an integrated commercial off the shelf product (COTS).

In April 2007 the Department received approval to proceed to tender for the purchase of a COTS Asset Management System to replace:

- Asset Information System (AIS) – the core asset management system implemented in the early 1990s to provide asset management from program and project initiation through to design, construction, maintenance and asset replacement.
- Electronic Fee Offer System (eFOS) – the system that provides the Construction Division with the ability to create and manage Fee Offers to its clients through the eFOS billing, timesheet, management and reporting facilities.
- Building Asset Management System (BAMS) – a system that provides the capability to manage building asset estimates, expenditures, and project information as well as the ability to view images, building plans and metadata for building assets.
- Building Data Collection System (BDC) – a system developed to manage the collection of building asset data. Asset data is imported into BDC, forward to contractors to perform updates in the field before loading into BDC. Updated asset data is subsequently transferred back into the core system.

Department of Infrastructure – Asset Management System Project cont...

- Project Reporting System (PRS) – a standalone system developed for the purpose of reporting on asset information imported from core asset management systems.
- Road Information Management System (RIMS) – a system that provides the ability to maintain information about the location and/or condition of assets such as roads, bridges, culverts, floodways, grids, roadside amenities, airstrips and access roads.
- Deighton’s Total Infrastructure Management System (DTIMS) – the primary function of this system is to store and prepare data for road asset management life cycle cost analysis.
- HRDB – a system that holds information in regard to remote housing data including remote housing assets, tenancies, employee work force development statistics and remote asset condition assessment surveys.
- Tracker – an application used by Department of Infrastructure to schedule resources and track open tasks – an application used by the Department of Infrastructure to schedule resources and track open tasks.

Responses to the Request for Tender were evaluated in 2008 and a proposal from Fujitsu to provide a solution based on the SAP Enterprise Resource Planning (ERP) product was accepted.

The AMS Project was established in mid-2009 to undertake the system implementation, including overseeing Fujitsu in its capacity as the Systems Integrator (SI) and coordinating the change management of business processes. Following Agency restructures the principal responsibilities for the management of the project and the implementation of the system transferred to the Department of Infrastructure.

The original project timeline was based on a three month “blue print” design phase and seven months “realisation”, build and deploy phase. The original go-live date was April 2010, with a planned implementation project cost of \$14 million.

A number of reviews were conducted over the course of the AMS implementation project by SAP, the systems application provider (as part of their project Safeguard Reviews) and by the Department of Infrastructure (utilising the services of external consultants).

Department of Infrastructure – Asset Management System Project cont...

Of particular note was the initial SAP review conducted following the blue print design phase undertaken by Fujitsu, the Systems Integrator. The review highlighted significant quality issues with the blue print documentation delivered which led to Fujitsu being requested to carry out a blue print remediation program. The original three months delivery period for the blue prints was extended to twelve months, with the additional time required being attributable to high turnover of Fujitsu's consultants and inconsistent quality in the documentation prepared.

The delays that flowed from the blue print phase resulted in a revised business case being developed which considered options for delivery of the second, or realisation phase, of the project. This saw a revised go-live date of April 2011 (twelve months later the original planned date) established. The project continued to encounter delays, due in part to insufficient resources provided by the Agencies for testing and training, and continuing issues with the SI vendor which appeared unable to provide sufficient resources of appropriate quality. It is notable that the high turnover of SI consultants saw a total of eleven Fujitsu project managers during the three years from the start of the project until Phase 1 go-live in April 2012.

Following a review conducted by the Department of Infrastructure in March 2011, the go-live date was again deferred until September 2011. This was a consequence of the identification of problems encountered during user acceptance testing that required rectification and which included data migration and data cleansing activities. While resources were provided by Agencies and by SAP to assist with data cleansing and data migration there are indications that the staff provided by Agencies were too few in number and lacking the experience necessary to ensure that this important phase was completed properly. The work required to deal properly with these issues saw the go-live for September 2011 being further delayed to October and then November 2011. Following these delays the project team, acting on recommendations from Fujitsu, revised the implementation approach for the project and separated the project into two phases to enable the system to be deployed. Phase 1 included implementation of the SAP AMS solution and was rescheduled to April 2012. Phase 2, which consisted of the deployment of a mobile solution and the Geographic Information System (GIS) to assist with road management and delivery of services to remote areas, was scheduled for September 2012.

Department of Infrastructure – Asset Management System Project cont...

Phase 1 AMS system go-live was achieved on 17 April 2012 while the Phase 2 go-live date has not been achieved and is expected to be achieved during 2013.

With the AMS having gone live in April 2012 it became apparent shortly thereafter that the system was failing to meet the needs of users and, indeed, was held by some observers as not being fit for purpose.

Key Findings

The following outlines the key contributing factors that are considered to have resulted in the AMS project not delivering a system to meet the expectations of Northern Territory Government (NTG) users adequately.

Organisational Change Management

There was general agreement among those interviewed as part of this review that organisational change management and the level of engagement by user Agencies was insufficient for the size and complexity of the AMS project. Limited ownership by the various Agencies that are users of the new system led to the shifting of responsibility for achieving business outcomes onto the project team. While the lack of engagement of Agencies was reported at several stages in the project, the issue was not raised with the steering committee early enough in the life of the project.

Project Governance

While the overall project governance structure used might have been expected for a project of this size and complexity, the effectiveness of the governance was affected by a lack of clear recognition and reporting of key risks and issues confronting the project and their potential effects. The inadequate documentation and presentation of the risks and effects, when coupled with issues of the continuity of steering committee membership, reduced the effectiveness of governance. There was also insufficient action taken on the independent quality assurance advice received through various project reviews.

Department of Infrastructure – Asset Management System Project cont...

Project Management

The level of project management experience possessed by the project team in areas such as planning, organising and controlling what is a large and complex IT project was limited. This was compounded by an inadequate number of staff who were allocated to the project by client Agencies (and the inappropriateness of some those who were allocated). The effect of resourcing levels upon the project appears not to have been highlighted sufficiently with the result that client Agency managers did not give the issue adequate attention.

Vendor Management

The relationship and the level of trust between the NTG and the SI with respect to this project appeared strained during the project (as reported in previous audits and reviews of the AMS project) and did not appear to improve until late in the project's life. There was an inability on the part of the SI to provide the level of leadership and expertise the NTG might reasonably have expected and the SI did not appear to have the capability or the capacity to deliver the proposed solution in the Northern Territory. At the same time, there was no evidence of an effective vendor management plan.

Implementation Strategy

There was no evidence that the project team had considered how the implementation of the system was to be approached and as a consequence that important issued was not placed before the steering committee. For example, one approach might have involved implementation in a single, pilot, Agency with the objective of ensuring that the system met expectations before it was implemented in other Agencies. An alternative approach might have involved the phased implementation of the different modules. Instead the project team appear to have accepted from the outset that all nine SAP modules would be implemented simultaneously across all client Agencies. This was an approach that exposed the project to heightened levels of risk and is an approach that does not appear to have been attempted with other SAP software implementations elsewhere in Australia. In hindsight, the implementation approach which was adopted can be said to have affected the overall success of the project and created additional strain on the limited number of NTG staff who had been made available.

Department of Infrastructure – Asset Management System Project cont...

Transfer of Data from Legacy Systems to AMS

Ownership of asset data was not clear at the start of the project nor was there clarity about who the key data sponsors were. This led to delays in the overall data migration program. In addition, Agency staff who were made available for the data migration phase had only limited experience in data migration issues particularly for a project of this size and complexity. At the same time there was no evidence that a successful full-scale trial data conversion exercise had been conducted prior to system being made available to users.

Testing

The documentation for testing and recording of results and sign offs was difficult to trace. Documentation of outstanding defects at the go-live stage did not show a full impact assessment, business workaround requirements and a detailed estimation of what was required to rectify outstanding problems. The absence of this information hindered the steering committee with regard to decisions about whether the system should, or should not, go-live.

Training

The initial strategies for training focused on a train the trainer approach, where Agency staff representatives were to be trained in the use of AMS and then deliver that training within their respective Agencies. It was not until late in the project that this approach was reviewed following the appointment of a full time training coordinator to the project team. It was found that the number of agency training representatives required was well in excess of available staff in Agencies who possessed the appropriate skills.

Department of Infrastructure – Asset Management System Project cont...

Next Steps for the Project

In October 2012, with project costs of \$26 million having been incurred and confronted with a project outcome where a system that had been delivered was not fit for purpose, the Department of Infrastructure sought advice from a professional services firm about viable strategies. It was recognised by the consultants who undertook the review that if the AMS was operating as it was intended it would provide Agencies with considerably more functionality than was available previously, although it was not clear how Agencies planned to utilise that functionality to make effective use of the substantial investment in technology. With that in mind the review team put forward three possible strategies:

- Persist With The AMS Project

This option would be required to focus on rectifying those components of the system that were judged as critical as a high priority, with a staged approach to further system rectification based on an agreed order of priority. It would see some system functionality such as spatial information and integration with the Road Reporting System deferred until the core asset management functions had been fully delivered.

This option was seen as resulting in a very functional system, based on an industry leading Tier 1 product and which would remain contemporary for 10 years and beyond. Achievement of this objective would require a further 2 to 3 years, with an additional capital cost of the order of \$32 million and recurrent costs of the order of \$8 million over the current forward estimates to 2015-16.

In addition this option carries with it high ongoing costs associated with the use of the SAP product given the likelihood of expensive upgrades to software that might be expected every 3 to 4 years in order to maintain full vendor operational support.

Department of Infrastructure – Asset Management System Project cont...

- Develop a New In-house System

This option would require that the current AMS project be abandoned and a new system developed to deliver the required functionality. While this approach offered the benefit being scalable to meet NTG Agency needs and budgetary constraints it would require at least 3 years to deliver the planned business functionality, while requiring an additional \$42 million in capital costs and recurrent costs in the order of \$4 million over the current forward estimates to 2015-16.

- Revert to Legacy Systems

This option would require that the legacy systems be re-implemented, if that were indeed possible, with further development to enhance and extend system capabilities so as to provide a modern solution. If this option were to be adopted it might be expected to take up to nine months to accomplish and would require an estimated \$20 million in capital expenditure, with recurrent costs of the order of \$4 million per annum over the current forward estimates period to 2015-16.

However, this option presents additional risks in that the residual life of the legacy systems is unknown with the result that the acquisition of new systems may be inevitable if the existing system lives cannot be extended.

The comments by the Department of Infrastructure which are reproduced below provide an overview of the likely direction that will be taken to bring the AMS to a standard that meets the needs of users.

Department of Infrastructure – Asset Management System Project cont...

Recommendations Made As Part of the Audit For future IT projects

It is almost inevitable that one or more Agencies will be required to implement a significant information system at a future date. There may be benefits in developing a knowledge management system in the interim with the objective of capturing data about IT system developments, particularly what aspects were performed well and those that were less well performed in order to reduce the possibility of future project teams repeating the mistakes of the past while also being able to take advantage of past successes. In the case of the AMS project, the following aspects are considered as pertinent:

Organisational Change Management

It is recommended that future projects develop at an early stage a strategy intended to ensure that “buy-in” by affected Agencies is achieved.

Project Governance

Projects should establish appropriate control and reporting systems to ensure key risk are identified together with accompanying costs and other consequences. Information on these issues should be provided to steering committees to enable appropriate decisions to be made and to allow steering committees to discharge their obligations.

Project Management

Complex IT projects demand a high level of knowledge and experience. The attributes possessed by a good project manager are not always available and it may be necessary to recruit suitable individuals for the duration of a project. Alternatively, it may be possible to have suitable public sector project staff mentored by experienced project managers drawn from external sources.

Department of Infrastructure – Asset Management System Project cont...

Vendor Management

A vendor management plan should be developed for each of the key system vendors. That plan should encompass:

- roles and responsibilities of the vendor and NTG representatives;
- tracking of deliverables by the vendor;
- planning for the continuity of vendor resources;
- the process for the escalation of issues that may arise;
- the transfer of knowledge from the vendor to NTG staff; and
- monitoring of vendor performance.

System Implementation Strategy

An analysis of the various approaches that may be available for system implementation. That is, should implementation follow an approach that is focused on a pilot Agency, one that is focused on a phased approach based on a progressive implementation of system modules or one that consists of a “big bang” approach where all modules are implemented simultaneously at all sites. The various options may need to be reconsidered at various stages of a project’s life, particularly if delays should be encountered, a project’s scope should change or resource constraints are encountered.

Data Migration

A data migration plan will be an essential element of planning for most IT projects and that plan should encompass matters such as:

- identification of key data, together with data owners;
- the resources required at the outset of the project to enable data cleansing and migration be dealt with smoothly and expeditiously;
- testing systems using actual data in order to understand system processes and take remedial action if necessary; and
- responsibility for data management once the system is operational.

Department of Infrastructure – Asset Management System Project cont...

Testing

A project management plan should include a plan for system testing that is intended to ensure that adequate staff, who understand the relevant business processes, will be available to test a system thoroughly in the period before it becomes operational.

Training

The volume and type of training that will be required should be outlined during the system design phase so that estimates of the staff or other resources required can be made.

Planning for training should extend to cover the period after the system has become operational in order to ensure that issues encountered by users can be addressed satisfactorily.

Department of Infrastructure – Asset Management System Project cont...

The Department of Infrastructure has commented:

The Department agrees and supports all the findings and recommendations contained in the Auditor-General's Report pertaining to the Post Implementation Review of the Asset Management System.

The audit process has been valuable as a way of highlighting areas for improvement and the findings have provided a reference point for any future projects which may be undertaken.

As a matter of priority, all issues and recommended remedial actions contained in the report have been made available to the Remediation Team. This team has been established to develop a roadmap to transition the AMS Program to a 'steady state' status. This comprises:

- *Identifying high priority AMS remediation activities to be achieved by end of financial year;*
- *Drafting a recovery plan to ensure AMS functionality is achieved;*
- *Formalising the role and responsibilities of the business as usual team who will be responsible for the steady state of the 'whole of government' AMS tool; and*
- *To expound the AMS strategic governance framework and an enhanced framework for stakeholder engagement.*

The planning is expected to be finalised in early April 2013.

National Partnership Agreement on Homelessness

Audit Findings and Analysis

Introduction

Homelessness has been described as a multifaceted, multidimensional issue that cannot be viewed through a single lens or abstracted from other issues.

The causes of homelessness are diverse, varied and complex. They include, but are not limited to, alcohol and drug abuse, physical and mental health issues, imprisonment, domestic violence, breakdown of family groups, gambling, high entry costs to housing and unemployment. Whilst a “bricks and mortar” approach to resolving homelessness is needed, other “wrap-around” services are also required, as well as recognition that for some people homelessness may reflect their personal preferences.

The National Partnership Agreement on Homelessness (NPAH) was signed by the Commonwealth, States and Territories in January 2009 to specifically fund outcomes intended to reduce homelessness in Australia by seven per cent by 30 June 2013. The Northern Territory and the Commonwealth together committed a total of \$54.993 million over the agreement term to fund programs in the Northern Territory. It was recognised that the Territory has the highest rate of homelessness of all jurisdictions, with extremely high rates amongst the Indigenous. The Territory had seven per cent of its population recorded as homeless in the 2011 Census of Population and Housing.

The initiatives the Territory chose to implement included a cross-section of measures including additional accommodation, short-term, transitional and longer term accommodation, support programs and services that had not existed previously, for example, targeting young people who were homeless or at risk of homelessness. The former Department of Housing, Local Government and Regional Services, now Department of Housing (Housing), is the lead agency for the NPAH.

National Partnership Agreement on Homelessness cont...

Audit Scope and Objective

This audit covered the period since establishment of the NPAH in the Territory, in January 2009, to 30 June 2012 and the objective of the audit was to:

- examine programs administered by Northern Territory Government Agencies and intended to address homelessness;
- form an opinion on whether the Northern Territory was meeting its obligations under the NPAH;
- form an opinion on whether the programs were being delivered efficiently, effectively and with economy; and flowing from the above
- whether the programs were making a difference for homeless people in the Northern Territory.

The audit focused primarily on the former Department of Housing, Local Government and Regional Services as the lead agency responsible for the NPAH, but the scope also included other government agencies including the former Departments of Children and Families, Justice and Health, which also all had initiatives funded under the NPAH.

As a substantial part of the NPAH is being delivered through non-government organisations (NGOs), discussions were held with staff of several of those NGOs in order to understand the effects of the NPAH upon sectors of the community. These NGOs were not audited and have not been named in this report in the interests of privacy, particularly in the light of frank comments that they provided and which are summarised below.

This audit was undertaken as part of a collaborative audit by all jurisdictions, including the Commonwealth. This was the first audit of its type and may presage a wider use of this type of audit to gauge the effectiveness of Commonwealth funded programs.

National Partnership Agreement on Homelessness cont...

Audit Opinion

- While there is always room for improvement of processes and systems, I formed the opinion that the Northern Territory is meeting its obligations under the NPAH.
- I was unable to determine if the initiatives under the NPAH have made a difference for homeless people in the Territory because NPAH outcomes are unable to be abstracted from a range of other programs. There is evidence that suggests that the program has had a positive effect on homelessness, but the sustainability of any gains made is uncertain given that the program may cease on 30 June 2013. Any extension is subject to the Commonwealth and the Northern Territory agreeing to terms for an extension of funding.
- I was unable to ascertain whether the specific NPAH performance measures have been, or will be, achieved as no objective data exists which will permit the number of homeless as at 30 June 2013 to be compared with the baseline data which was based on 2006 and 2011 Census data.

Key Findings

Key findings from the audit are summarised below and discussed at length in this report:

- it is not possible to demonstrate in any objective way the effectiveness of the program in reducing homelessness;
- the program roll-out timeframe was unrealistic;
- the Territory has met its obligations under the NPAH; and
- the future of the program is uncertain.

National Partnership Agreement on Homelessness cont...

Recommendations

Recommendations include:

- a need to identify the way by which a proposed program's effectiveness and efficiency will be measured. Ideally this would be done at a program's scoping stage and reassessed during the life of the program;
- a need to determine what information is required for reporting and evaluation of initiatives when establishing key performance indicators, particularly when more than one Agency is involved;
- a need to ensure realistic timeframes are established for any program, particularly when NGOs will be involved, due to the time required to develop initiatives, engage service providers, recruit staff, and establish governance frameworks. In some cases, this may mean a delay of up to twelve months before a program is fully operational;
- the importance of a clear understanding of what a program is expected to achieve, with sound baseline data to enable progress to be assessed;
- a need to ensure that financial systems of Agencies permit funding to be recorded in a way that permits subsequent analysis;
- a need to ensure that the lead Agency's performance management systems are capable of ensuring the effectiveness and efficiency of an overall program can be assessed;
- a need to ensure that performance management systems established by individual participating Agencies to monitor the elements of programs incorporate the capacity to provide managers with regular and timely information that will permit corrective action to be taken at an early stage; and
- a need for a post-program evaluation that may involve the Commonwealth, States and Territories with the objective being to assess the effectiveness of programs and to identify "lessons learnt" with a view to improving the management of jointly funded programs in the future.

National Partnership Agreement on Homelessness cont...

The National Partnership Agreement on Homelessness

The National Partnership on Homelessness (NPAH) was established under the Intergovernmental Agreement on Federal Financial Relations and was signed by the States and Territories in January 2009. The NPAH commenced upon the signing of the agreement, and was set to expire on 30 June 2013. Amendments to the original NPAH in April 2012 saw changes to the performance benchmarks and indicators, but maintained the end date of 30 June 2013.

The NPAH had its genesis in a May 2008 Federal Government Green Paper '*Which Way Home*', and a subsequent December 2008 White Paper '*The Road Home*' and flows from the outcomes of the National Affordable Housing Agreement (NAHA), which has been revised several times since it was initially agreed between the Commonwealth, States and Territories. It was one of the first National Partnership Agreements developed and lessons learned by jurisdictions and the Commonwealth have aided the drafting of subsequent National Partnership Agreements.

The objective of the NPAH is to complement the NAHA Outcome of "*People who are homeless or at risk of homelessness achieve sustainable housing and social inclusion*"¹ and was to deliver on the following outcomes:

- “(a) Fewer people will become homeless and fewer of these will sleep rough;*
- (b) Fewer people will become homeless more than once;*
- (c) 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*
- (d) People at risk of or experiencing homelessness will be supported by quality services, with improved access to sustainable housing.*²

¹ Section 13, National Partnership Agreement on Homelessness, April 2012, page 3

² Section 14, National Partnership Agreement on Homelessness, April 2012, page 4

National Partnership Agreement on Homelessness cont...

The NPAH set out the broad targets, including a reduction in overall homelessness of 7% by 30 June 2013, with a reduction in Indigenous homelessness of 33.33% and a reduction in rough sleepers of 25%.

Various measures were agreed upon to measure attainments against the specified outcomes, with the baseline and source data coming from the 2006 Census, 2011 Census, Supported Accommodation Assistance Programme (SAAP) and Specialist Homelessness Services (SHS) data collections.

Funding was distributed between the State and Territories using the proportion of homeless based on the results of the originally released 2006 Census of Population and Housing.

The NPAH was established as the overarching agreement, with each State or Territory having its own implementation plan based upon the common strategies of:

- prevention and early intervention to stop the flow of homelessness and to reduce the impact of homelessness;
- breaking the cycle of homelessness through investment in services and accommodation; and
- implementation of well-connected service systems.

The Outputs that were required to be delivered to 30 June 2013 are set out in Appendix A.

National Partnership Agreement on Homelessness cont...

The Northern Territory Homelessness Implementation Plan

The Northern Territory Homelessness Implementation Plan (NTHIP) set out the initiatives that the Territory was required to deliver under the NPAH and contained a mix of new and existing initiatives.

The NTHIP acknowledged the challenges faced by the Territory, including the unique context and that the Territory *“has the highest rate of homelessness of all jurisdictions, extremely high rates of homelessness amongst Indigenous people and a large number of rough sleepers”* (s 6). The NTHIP went on to describe the drivers of homelessness, which *“include: cyclical mobility of Indigenous people travelling between remote areas and regional centres for cultural reasons and to access services; high rates of overcrowding, particularly in remote communities; housing stress in the market generally; and limited affordable housing options”* (s 6). The NTHIP states in section 7 that:

“Evidence suggests that demand for community services in the Northern Territory is increasing, while levels of disadvantage continue to be disproportionately high compared to the rest of Australia. As a small jurisdiction population-wise with a large geographical area, the Northern Territory faces particular challenges with capacity to deliver homelessness services. Smaller pools of funding, economies of scale, skills shortages and a lack of diversification make it difficult for the non-government sector to provide specialist and allied homelessness services across the full spectrum of target groups and service types, particularly in regional, remote and very remote areas. Establishment costs for new services can be significant, including in particular difficulties with recruiting and retaining staff and housing availability.”³

³ Northern Territory's Homelessness Implementation Plan, October 2012, page 3

National Partnership Agreement on Homelessness cont...

The NTHIP also set out the funding contributions from both the Commonwealth and the Territory (see table below). A total of \$54.993 million was to be spent over 5 years to specifically address the issue of homelessness, with \$25.604 million from the Commonwealth and \$24.389 million from the Territory. Capital funding is included in these figures. Actual expenditure is discussed later in this Report.

Commonwealth and Northern Territory Funding Contributions as at August 2009

Output	2008-09	2009-10	2010-11	2011-12	2012-13	Total
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Commonwealth funding						
A Place to Call Home	1.288	1.288	1.288	1.288	2.688	7.840
Other outputs	0	3.250	4.686	4.914	4.914	17.764
Total	1.288	4.538	5.974	6.202	7.602	25.604
Northern Territory funding						
A Place to Call Home	0.249	2.238	2.007	2.256	1.329	8.079
Other outputs	1.865	6.365	6.365	5.865	0.850	21.310
Total	2.114	8.603	8.372	8.121	2.179	29.389
Combined total	3.402	13.141	14.346	14.323	9.781	54.993

Source: Table 1, Northern Territory's Homelessness Implementation Plan, October 2012, page 6

The initial NTHIP was agreed between the Territory and the Commonwealth in July 2009, and has seen two revisions since then; in March 2011 and again in October 2012. Changes were focused on amending initiatives and performance targets.

The initiatives reported against for 30 June 2012 are contained in Appendix B.

The focus of the initiatives has been on Darwin, Katherine, Tennant Creek and Alice Springs, with other NPAs funding homelessness initiatives in remote areas (for example the National Partnership Agreement on Remote Indigenous Housing). However, some expenditure during the NPAH has been expended on providing services in Borroloola and Wadeye.

National Partnership Agreement on Homelessness cont...

Definition of Homelessness

The NPAH definition of homelessness is broad and operates at three levels:

“Primary homelessness means people without conventional accommodation, and it includes people living on the streets and in other public places such as parks, squatting in buildings or using vehicles, for temporary shelter.

Rough sleeping means primary homeless people.

Secondary homelessness means people staying in emergency or transitional accommodation and people residing temporarily with other households because they have no accommodation of their own. It also includes people staying in emergency or transitional accommodation provided by governments and non-government organisations and people residing temporarily in boarding houses for 12 weeks or less.

Tertiary homelessness means people living in boarding houses on a medium to long term basis for over 12 weeks.”⁴

This definition, based on the work of Professors Chamberlain and MacKenzie, has been described as a cultural definition and has been the most commonly used definition of homelessness in Australia. The Australian Bureau of Statistics (ABS) lacked a definition of its own, but supported the research undertaken by the two academics who estimated the numbers of homeless people in Australia using Population and Housing Census data.

⁴ Section 12, National Partnership Agreement on Homelessness, April 2012.

National Partnership Agreement on Homelessness cont...

The ABS undertook a review project between 2008 and 2011 and established a statistical definition of homelessness as:

“When a person does not have suitable accommodation alternatives they are considered 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.”⁵*

Based on its new definition, the ABS recast the 2001 and 2006 Census data for Population and Housing and these were released in September 2012. It is the recast ABS Census data that is currently being used as the baseline to measure the success of the NPAH.

⁵ ABS Information Paper – A Statistical Definition of Homelessness, Catalogue number 4922.0, September 2012

National Partnership Agreement on Homelessness cont...

Statistics on Homelessness

The ABS 2011 Census of Population and Housing reported the total population of Australia as 21,507,717, with the Territory population being 211,945 or approximately 1% of the Australian population.⁶

The Census results reported 105,237 persons being counted as homeless in Australia. Of this, the Territory was reported as having 15,479 people who were considered homeless, with 90 per cent of Territory homeless identifying themselves as indigenous, 8 per cent as non-indigenous, with 2 per cent not responding to the particular question.

The reported figure 15,479 persons who were considered as homeless at the time of the 2011 Census equated to 7% of the Territory population – somewhat higher than other jurisdictions.

To assist with inter-jurisdictional comparisons, the rate per 10,000 of the population is used for reporting and statistical purposes and the following table summarises the position by jurisdiction. The Territory reported a rate of 730.7 homeless people per 10,000 of the population in the 2011 Census. The trend since 2001, using this measure, suggests a decline in homelessness between 2001 and 2011, with a marked decline from 2001 to 2006. However, it is notable that the decline for the period between 2001 and 2006 occurred in each jurisdiction. This reflects a re-basing of data by the ABS and suggests that published statistics on homelessness for this period should be used with some caution.

⁶ 2011 Census QuickStats

National Partnership Agreement on Homelessness cont...

	2001	2006	2011
States and territory of usual residence			
New South Wales	36.4	33.9	40.8
Victoria	38.9	35.3	42.6
Queensland	54.8	48.3	45.8
South Australia	39.8	37.0	37.5
Western Australia	53.6	42.3	42.8
Tasmania	27.5	24.0	31.9
Northern Territory	904.4	791.7	730.7
Australian Capital Territory	30.4	29.3	50.0
Total homeless persons	50.8	45.2	48.9

Source: Census of Population and Housing, 2001, 2006, 2011, AIHW SAAP collection

Data on homelessness, classified by statistical category, are shown in the table below. As can be seen by far the largest cohort in the Territory comprised people living in what the ABS terms “severely crowded dwellings”, followed by “rough sleepers”. The trend in data suggests that the composition of homeless has altered over the ten years to 2011, with the numbers of people who were rough sleepers, who resided in boarding houses or who were living in severely crowded accommodation declining with that decline being matched by an increase in the number of people in supported accommodation, temporary lodgings or staying temporarily with other households.

	2001	2006	2011
Homeless operational groups			
Persons who are in improvised dwellings, tents or sleeping out	1,798	1,213	848
Persons in supported accommodation for the homeless	285	221	571
Persons staying temporarily with other households	361	446	432
Persons staying in boarding houses	587	544	435
Persons in other temporary lodging	12	12	22
Persons living in 'severely' crowded dwellings	13,905	12,829	13,171
Total	16,948	15,265	15,479

Source: Census of Population and Housing, 2001, 2006, 2011, AIHW SAAP collection

National Partnership Agreement on Homelessness cont...

Of the 15,479 persons identified as homeless in 2011, 40 per cent, or 6,188, were aged 18 years and under, and 4 per cent, or 581, of persons were aged 65 years and over.

The distribution of homeless persons across the Territory saw a decline in most regions, except Darwin City and Bathurst-Melville regions when comparing the 2001 and 2006 Census results, but, again, given the reported decline in homelessness for the period across every Australian jurisdiction these statistics should be treated with some caution. The 2011 Census results were compiled using different geographical boundaries and therefore difficult to analyse against the 2001 and 2006 results for homeless by region. The ABS use of “remoteness” as a measure comparing jurisdictions also does not add significant value as Darwin City is considered to be in the “Outer Regional Australia” definition.

When comparing the Darwin Region to the rest of the Territory, as shown in the table below, fluctuations emerge. The Darwin Region saw a minor increase from 2001 to 2006, followed by a significant decrease from 2006 to 2011. However, the rest of the Territory saw a reduction from 2001 to 2006, followed by an increase from 2006 to 2011.

	2001 *	2006 ^	2011 #
Darwin	1,608	1,611	1,359
Northern Territory - Balance	15,065	13,676	14,124
Total	16,673	15,287	15,483

Note: may not agree to reported Total Homelessness figures as there is rounding that the ABS acknowledges.

* Source: Census of Population and Housing, 2001

^ Source: Census of Population and Housing, 2006

Source: Census of Population and Housing, 2011

The distribution of homeless persons using the 2011 Census is shown in the table below, with the highest proportion of homeless being recorded in the East Arnhem and Daly-Tiwi-West Arnhem areas, followed by Alice Springs and closely behind, Katherine.

National Partnership Agreement on Homelessness cont...

		All homeless persons
<hr/>		
Greater Darwin		
	Darwin	
	Darwin City	719
	Darwin Suburbs	375
	Litchfield	165
	Palmerston	106
Rest of NT		
	Northern Territory – Outback	
	Alice Springs	2,712
	Barkly	829
	Daly - Tiwi - West Arnhem	3,660
	East Arnhem	4,216
	Katherine	2,702
Total		15,484

Note: may not agree to reported Total Homelessness figures as there is rounding that the ABS acknowledges.

Source: Census of Population and Housing, 2011

The adoption by the ABS of its own definition of homelessness did expand the scope of data collected in the 2011 Census, but also changed the baselines for jurisdictions. The recasting of the 2001 and 2006 Census data in September 2012 saw the number of homeless reported in the Territory rise from 4,785 to 15,265 in 2006, or an increase of 10,390 people. This increase was due largely to the inclusion of “severe overcrowding” within the ABS statistical definition.

An assessment of whether or not the NPAH can be judged to be a success depends to a significant extent upon Census data. Interestingly, the completion date for the NPAH is 30 June 2013, while the most recent census data was collected in 2011 suggesting that no reliable data may be available to enable an estimate to be made of the movement in the number of homeless when compared with the starting point in 2009. This issue is compounded by a lack of data for 2009, with program managers being required to draw upon 2006 and 2011 data to gauge the extent to which measurable progress has been made.

National Partnership Agreement on Homelessness cont...

The Australian Institute of Health and Welfare (AIHW) has implemented a new data collection system that requires NGOs to collect and report statistics on social trends. While the objective of the AIHW is to simplify data collection and, at the same time, improve the quality of data collected, information obtained during the course of the audit suggests that the acceptance of this initiative by NGOs in the Territory has been mixed. This is possibly a result of the system not being fully operational at the commencement of the NPAH, with the accompanying risk that not all data collected is being reported through the new system. The ABS has undertaken a comparison between its own census data and data held by AIHW and differences were noted. This may highlight the existence of uncertainty about the numbers of homeless and hence the extent to which progress has been made under NPAH.

Whilst the ABS data suggest that the relative level of homelessness trended downwards in the period 2006 to 2011, *“Holmes and McRae-Williams (2009) found compelling evidence to support a sustained growth in primary homelessness in Darwin between June, 2007, and early 2009, following the announcement and roll out of the Federal Government’s Northern Territory Emergency Response.”*⁷ This finding does not necessarily contradict the ABS statistics, but it does raise a further concern about the statistics used when estimating homelessness.

⁷ Catherine Holmes Consulting - Informing a National Quality Framework: Consultations with homeless Aboriginal people in Darwin regarding service provision, May 2010

National Partnership Agreement on Homelessness cont...

Financing the Program

While the Department of Housing is responsible for the overarching funding agreement and implementation plan with the Commonwealth, each participating Department (listed below) is responsible for implementing, monitoring and managing specific initiatives under the program and for providing data back to Housing.

As noted earlier, the NPAH funding is not the only funding that will impact on homelessness reduction as there are a number of other programs funded by the Commonwealth and Territory Governments where the outcomes are intertwined with those of the NPAH. As a result it is not possible to easily separate the NPAH achievements from those of other programs.

The Territory and the Commonwealth committed a total of \$54.993 million over the life of the NPAH. The budgeted and actual expenditure by Department to 30 June 2012 of \$41.904 million is shown in the table below. This funding was confined to program delivery costs with no provision for administrative costs which are integral to the effective delivery of any program.

National Partnership Agreement on Homelessness cont...

NTHIP Budget 2008-09 to 2012-13 and expenditure to 30 June 2012 by Department

	Commonwealth \$ million	Territory \$ million	Total Budget \$ million	Expenditure to 30 June 2012 \$ million
Services funding				
Department of Housing, Local Government and Regional Services	9.968	3.819	13.787	13.795
Department of Children and Families	6.190	18.060	24.250	17.327
Department of Health	0.766	-	0.766	1.106
Department of Justice	0.840	3.250	4.090	3.160
Total Services funding	17.764	25.129	42.893	35.388
Capital funding				
Department of Housing, Local Government and Regional Services	7.840	4.260	12.100	6.516
Total Capital projects	7.840	4.260	12.100	6.516
Total	25.604	29.389	54.993	41.904

Source: Department of Housing

Capital expenditure of \$6.516 million was incurred to 30 June 2012 and included A Place to Call Home, an initiative intended to make available an additional 32 public housing dwellings over five years. Twenty one of those dwellings were reported as being completed and tenanted by 30 June 2012, with the remainder to be completed during 2012-13. Other capital expenditure was incurred in respect of YMCA at Doctors Gully, and St Vincent De Paul.

National Partnership Agreement on Homelessness cont...

This aspect of the audit was confined to the monitoring and reconciliation processes of the two largest agencies - the Department of Housing and the Office of Children and Families, based on materiality. The audit examined the process for the reconciliation of revenue and expenditure information maintained by program managers with that reported in the Departments' principal financial systems. It was evident that there were a significant number of spread sheets maintained by program managers to monitor budgeted and actual amounts, by program and by NGOs, and evidence of reconciliations back to the principal financial systems could not be provided in all cases.

As stated earlier, the NPAH will cease on 30 June 2013, but negotiations between the Commonwealth and the Territory had commenced regarding ongoing funding. Advice received during the audit suggested that a transitional agreement will be enacted prior to another formal National Partnership Agreement being entered into. It is likely that any forthcoming agreements will again stipulate matched funding between the Commonwealth and jurisdictions.

National Partnership Agreement on Homelessness cont...

Outsourcing to Non-Government Organisations

The Territory engaged NGOs to deliver the majority of the 22 initiatives. This took the form of either contracts for the provision of services or grant funding agreements.

The participating Departments had individually engaged the services of NGOs to deliver the required outputs under the program and were responsible for the implementation, monitoring and governance. The engagement of NGOs involved a mix of tender processes with resultant formal contracts and grant funding agreements, with the differing approaches being attributed to inconsistent advice from the former Department of Business and Employment. Each participating Department had established its own systems and processes to manage the outsourcing arrangements. Whilst this has advantages, it also created difficulties in that the information specified by agencies as being required from NGOs did not necessarily align with that which the Department of Housing is required to provide to the Commonwealth. As a result additional time was required to be incurred by Departmental staff and by NGOs to produce the required information. The NPAH was also subject to a high level of scrutiny by both the Commonwealth and Territory, and this resulted in significant *ad hoc* data requests with much of that burden falling upon NGOs that were not funded for this activity.

National Partnership Agreement on Homelessness cont...

Program Performance

There was an expectation that the NTHIP would be developed and programs commenced by July 2009. However, with the advantage of hindsight it is clear that target was optimistic and it took a further twelve months before all initiatives were operational. A major reason for the delay in commencing activities was an underestimation of the lead time required to contract NGOs, and for NGOs to recruit staff, and the establishment of systems and processes by both NGOs and Agencies. Some views expressed during the course of the audit suggested that some Commonwealth agencies may not appreciate the time and effort required to get a program “up and running” once funding has been approved.

Any new program requires an element of planning, including the development of systems intended to measure the effectiveness and efficiency of the program. If NGOs are to be used to help in delivering outputs, those organisations need sufficient time to engage and train staff, and establish their own systems to ensure that the program can be managed and Territory reporting requirements met. At the same time, sufficient time is needed to plan and develop programs to ensure that funding is directed to where it is most needed if it is intended that programs are to improve the lives of targeted sectors of society. In the case of the NPAH it would appear that the elapsed time between the Commonwealth’s acceptance of the Territory’s implementation plan and the commencement of the operational phase of the program was weeks rather than months with the result that ongoing refinements to the management and delivery of the program were necessary with an accompanying imposition of additional costs.

Of the 22 initiatives under the NTHIP, three had not met their individual 2011-12 targets, while one initiative was completed in 2010-11. Progress towards targets is evaluated over the life of the respective funding agreements under the NPAH and, accordingly, the Territory is expected to meet its targets over the life of the funding agreements. Where targets have not been, or are not being, met Agencies and NGO service providers have established processes intended to analyse the reasons for underachievement and the ways by which gaps between planned and actual targets can be closed.

Whilst the initiative targets are measurable, they are confined to throughputs, which are the number of individuals or households that accessed a service.

National Partnership Agreement on Homelessness cont...

In the following table the targets shown are the number of households or individuals that accessed the services available during 2011-12, depending on how the initiative in question is measured. A broad overview of each initiative is contained in Appendix B. A Place to Call Home, Percy Court, Patterson Street and Remote Safe Houses are measured in terms of “households”, while the others, with the exception of YMCA (capital works) and Client Information Management System (a database), are “individuals”. The values reported as actuals may include repeat clients as this data is not required to be excluded. Instances where a person may be a repeat client is the South Terrace Managed Accommodation which provides short to medium term managed accommodation for Indigenous people and families who are visiting to seek medical treatment and the person has to attend several times in one year.

	2011-12 Target ^	2011-12 Actual	Variance
Homelessness Program			
A Place to Call Home	24	31	7
Alice Springs Crisis Accommodation	30	21	-9
Case management – Salvation Army Hostel	50	87	37
Development of a Response to Youth	15	16	1
Homelessness in Katherine			
South Terrace Managed Accommodation	200	12,995	12,795
Palmerston Medium Term Transitional Accommodation	15	104	89
Percy Court Managed and Supported Accommodation in Alice Springs	28	29	1
St Vincent De Paul Society – Extension of Vincentcare	20	24	4
Supported Accommodation	36	37	1
YMCA Doctor's Gully Hostel Refurbishment #	n/a	n/a	n/a
Alice Springs Youth Streetwork Outreach	56	2,556	2,500
Assistance for People Leaving Correctional Services	80	149	69

National Partnership Agreement on Homelessness cont...

	2011-12 Target ^	2011-12 Actual	Variance
Homelessness Program continued			
Palmerston Youth Homelessness Response	17	66	49
Transitional Aftercare Service in Darwin	30	24	-6
Client Information Management Services	1	1	-
Patterson St Domestic Violence and Transitional Accommodation in Darwin	15	19	4
Remote Safe Houses *	60	82	22
Intervention and Case Management Services	4,200	5,648	1,448
Youth Development Crisis Accommodation – Tennant Creek	44	22	-22
Domestic and Family Violence Support ~	1,657	1,113	-544
Tenancy Sustainability Program	300	1,396	1,096
Young People Leaving Care	20	35	15
Total	6,898	24,455	17,557

Source: 2011-12 Annual Report

^ The 2011-12 target and actual results were taken from the 2011-12 NTHIP Annual Report. The Commonwealth adjusted the 2011-12 targets to match the NTHIP signed off in October 2012.

The YMCA Doctor's Gully Hostel Refurbishment was completed in 2010-11.

* Remote Safe Houses target is based on households, which equated to 333 individuals assisted in 2011-12.

~ The value shown of 1,113 is for the six month period July to December 2011 as full year numbers were not available from the Specialist Homelessness Services Collection at the time of the audit. These figures have been subsequently released and the Territory has exceeded the target for the 2011-12 year with 1,694 individuals accessing services.

National Partnership Agreement on Homelessness cont...

Indigenous disaggregation data is not always available. However, data provided (by the NGOs) are shown below against each of the funding initiatives. Of the 24,445 individuals or households accessing initiatives, 20,103, or 82%, were Indigenous, and it is possible that the true number may be higher given those locations where programs were being run and where indigenous disaggregation data was not supplied.

	2011-12 Actual ^	Indigenous Disaggregation % ^	Actual number of Indigenous assisted
Homelessness Program			
A Place to Call Home	31	unknown	unknown
Alice Springs Crisis Accommodation	21	unknown	unknown
Case management – Salvation Army Hostel	87	unknown	unknown
Development of a Response to Youth Homelessness in Katherine	16	38%	6
South Terrace Managed Accommodation	12,995	100%	12,995
Palmerston Medium Term Transitional Accommodation	104	48%	50
Percy Court Managed and Supported Accommodation in Alice Springs	29	unknown	unknown
St Vincent De Paul Society – Extension of Vincentcare	24	unknown	unknown
Supported Accommodation	37	unknown	unknown
YMCA Doctor's Gully Hostel Refurbishment #	n/a	n/a	n/a
Alice Springs Youth Streetwork Outreach	2,556	unknown	unknown
Assistance for People Leaving Correctional Services	149	74%	110

National Partnership Agreement on Homelessness cont...

	2011-12 Actual ^	Indigenous Disaggregation % ^	Actual number of Indigenous assisted
Homelessness Program continued			
Palmerston Youth Homelessness Response	66	unknown	unknown
Transitional Aftercare Service in Darwin	24	50%	12
Client Information Management Services	1	unknown	unknown
Patterson St Domestic Violence and Transitional Accommodation in Darwin	19	100%	19
Remote Safe Houses *	82	100%	82
Intervention and Case Management Services	5,648	100%	5,648
Youth Development Crisis Accommodation – Tennant Creek	22	100%	22
Domestic and Family Violence Support ~	1,113	unknown	unknown
Tenancy Sustainability Program	1,396	83%	1,159
Young People Leaving Care	35	unknown	unknown
Total	24,455		20,103

Source: 2011-12 Annual Report

^ The 2011-12 actual results and indigenous disaggregation percentages were taken from the 2011-12 NTHIP Annual Report.

The YMCA Doctor's Gully Hostel Refurbishment was completed in 2010-11.

* Remote Safe Houses target is based on households, which equated to 333 individuals assisted in 2011-12.

~ The value shown of 1,113 is for the six month period July to December 2011 as full year numbers were not available from the Specialist Homelessness Services Collection at the time of the audit. These figures have been subsequently released and the Territory has exceeded the target for the 2011-12 year with 1,694 individuals accessing services.

National Partnership Agreement on Homelessness cont...

Reporting

The NTHIP requires the Department of Housing to report annually to the Commonwealth against the outputs and targets (i.e. the initiatives) by no later than by 30 September each year. The Department had not met this requirement since the inception of the agreement. The delay in establishing new services in the Territory resulted in the withholding by the Commonwealth of a facilitation payment during 2010 while a revised NTHIP was negotiated and this was accompanied by the redirection of resources by the Department of Housing to the NPAH with an accompanying improvement in reporting and overall management of the agreement.

There was little available information to the audit that provided useful guidance about how the NPAH and NTHIP were initially implemented in the Territory. However, evidence obtained for the period July 2010 onwards shows appropriate systems were in place for reporting on the programs' achievements, outputs and evaluation, both at the Territory and Commonwealth levels. Whilst it may be construed that this is evidence that better management leads to greater reporting and achievement of initiatives, it was around this time that the initiatives were actually starting to be fully operational.

National Partnership Agreement on Homelessness cont...

The Views of Non-Government Organisations

The audit included meetings with a cross section of NGOs servicing different regions and various initiatives to gain their perspective on whether or not the initiatives for which they were responsible were effective in making inroads into homeless numbers. These meetings also canvassed the ways by which NGOs were engaged by the Department(s), how the initiative(s) operated, the relationship with the Department(s) and the reporting of data back to Governments – both Territory and Federal. As indicated above, the NGOs have not been named in this report to ensure their anonymity, given the comments that follow, below.

The NGOs highlighted the extent to which homelessness should be viewed as an issue that is complex and multi-dimensional/multi-faceted, with no short term solutions. At the same time, the Territory faces a number of obstacles in attempting to address the issue: from the tyranny of distance, to the recruitment and retention of staff (by both NGOs and Agencies) and cultural and family dynamics that may be unique to northern Australia.

Whilst relationships between NGOs and Departments were particularly good, issues were noted in relation to two Department of Housing initiatives; Tenancy Support Program and A Place to Call Home, where the relationship between Territory Housing staff and NGOs was, on occasions, strained.

Results

The NGOs were unanimous that there had been some commendable results from the initiatives, as well as some which were described as less than successful. The outcomes are likely to be affected by the sometimes complex factors that affect homelessness and the circumstances in which individuals may find themselves.

It was stressed that if housing programs were to be effective, people had to be ready to be housed and had to want to change. However, it was often the case that some clients were not ready to be housed and when this was accompanied by a view on the part of some Agencies' staff who saw housing as the solution, it often created challenges when people were referred to NGOs under the NPAH initiative.

National Partnership Agreement on Homelessness cont...

NGO's perspectives on the problem of homelessness tended to be broader than those of some staff of Agencies and they noted that in many cases clients needed "wrap around" services to address a range of issues that affected them, some of which may be root causes of homelessness, while Agencies were focused on placing people into housing irrespective of wider issues that might exist. NGOs reported that they found this situation particularly challenging as they might find themselves caught between a need to address issues that may affect a client personally and Agencies' expectations that people would be placed in to some type of accommodation expeditiously.

The NGOs reiterated their strong belief in the value of early intervention models as offering the most effective approach to homelessness and which they consider to be more cost effective than rehabilitation.

A challenge presented by some of the initiatives under the NPAH has been the limited ability by NGOs to receive referrals for programs from elsewhere other than Territory Housing. The NGOs indicated that they would like to see more flexibility in program delivery and design so that they would be better able to address underlying issues, enabling people to exit programs at earlier stages with the probability of better outcomes being achieved.

The challenges of providing case management and tenancy management services to the same client(s) was seen as an issue, particularly in circumstances where Territory Housing was the property owner and lessor. It was submitted that Territory Housing may sometimes request information which an NGO was prevented from providing under privacy laws. This information would not normally be available to a landlord in a private rental situation.

A theme that ran through the discussions with NGOs was that they were subject to "micromanagement" when it came to operational matters. It was submitted that the Territory Housing management model was imposed upon the NGOs with explicit statements to the effect that a failure to adhere could result in withdrawn funding.

National Partnership Agreement on Homelessness cont...

Housing

A lack of housing in all forms (short term, crisis and transitional accommodation, public housing, affordable private rentals) – and the difficulties that the NGOs encounter trying to find housing for people was identified as a significant issue and one that ranked alongside visiting family members and overcrowding as principal issues that require the development of solutions. As noted above, NGOs also stressed that there was a risk that discussions about homelessness tended to focus on housing the homeless and did not touch on the other factors that lead to homelessness. However, when contributing factors may have been resolved and a client was considered ready for housing it was often the case that housing was not available and that a person may then spend up to five years on a waiting list with an accompanying risk that contributory factors may re-emerge in that time.

Importance of Relationships

The importance of relationships, whether with homeless individuals or families seeking assistance, through to relationships with Agency staff was highlighted as critical. NGOs stressed that a good working relationship existed with policy staff within Agencies, but all reported challenges when dealing with frontline staff of Territory Housing. The view was expressed that NGOs often felt that the responsibility for managing the program has been passed to them and it was no longer a shared responsibility to address the initiative outcomes.

Territory Housing

The high turnover of staff at Territory Housing was seen as a challenge for the Department. NGOs experienced difficulties that flowed from differing procedures and requirements for each Territory Housing office and the changeover in staff led to different interpretations of the funding agreement, with the result that it was not uncommon for an NGO to face more onerous requirements.

It was felt that Department staff, particularly frontline Territory Housing staff, needed more training in case management principles, cultural awareness, dealing with cultural conflicts and the programs these NGOs are funded for. For example, the Tenancy Support Program is a voluntary program, but some tenants were being told that a failure to be a part of that program risked the loss of their home. There was sense among NGOs that Agencies did not appear to understand fully what they had funded.

National Partnership Agreement on Homelessness cont...

Reporting and data requests

NGOs reported that there was an almost constant demand by Agencies for data and information with many requests lying outside of the scope of the original funding agreements. Some of this demand was a result of by the differences between Agencies' own requirements and information and data required by Housing for reporting to the Commonwealth. This was exacerbated by data requests to enable agencies to respond to Ministerial questions and for wider government scrutiny of the program. All the NGOs stated that they were happy to provide the data, but stressed that responding to these requests imposed costs for which they were not funded. The situation was compounded for some NGOs which dealt with several departments, with each department having different reporting requirements, and in some instances reporting periods.

Funding

NGOs were concerned that the challenges they face balancing funding and staffing requirements under any government funding arrangement were not adequately recognised. Examples were given of Agencies failing to advise that a program had been extended until some time after that extension came into effect, with accompanying delays in the receipt of funding, leading to NGOs carrying the cost. NGOs stressed the difficulties that can emerge in attempting to manage their own staffing and the needs of clients in situations where there is no clear communication about funding and prompt payment of amounts due does not occur.

National Partnership Agreement on Homelessness cont...

Acknowledgements

The assistance of staff at the Department of Housing, Department of Health, Office of Children and Families, Department of Correctional Services, Department of Attorney-General and Justice, Department of Chief Minister, and Department of Treasury and Finance, along with staff at NGOs in the completion of this audit was appreciated.

National Partnership Agreement on Homelessness cont...

The Department of Housing has commented:

The Department of Housing acknowledges the issues discussed in the Auditor-General's report on the Performance Management System Audit of the National Partnership Agreement on Homelessness (NPAH) and accepts the recommendations for which it can contribute or has authority.

The NPAH was one of the first of the new system of national partnership agreements under the Intergovernmental Agreement on Federal Financial Relations signed in 2009 and provided a number of 'lessons learned' with regard to systems and approaches that have been taken up in subsequent national partnership agreement negotiations and governance frameworks. The Department is pleased with the finding of the audit that the Northern Territory has met its obligations under the NPAH.

More importantly, the NPAH provided the capacity to establish and develop much needed services and programs focused on addressing and preventing homelessness in the Northern Territory. It has been an important source of funding and focus for this department and the support for vulnerable people through programs funded under this agreement has been invaluable.

The Department acknowledges the feedback from service providers expressed in this report. Prior to publication of this report, the Department commenced a review of some of its programs in response to a number of emerging internal and provider issues. As part of new service agreements under the anticipated transitional NPAH, the Department will be proposing some changes to these programs that make both parties more accountable and provide for clearer operational and governance processes. The Department looks forward to continuing to work together with service providers to achieve the best possible client outcomes.

National Partnership Agreement on Homelessness cont...

The Office of Children and Families has commented:

The Office of Children and Families (OCF) acknowledges the issues raised in the Auditor-General's Report and accepts the recommendations. In particular OCF welcomes the opinion that while there is room for improvement in processes and systems, the Northern Territory is meeting its obligations under the NPAH.

OCF acknowledges the need to establish more robust performance measuring and evaluation mechanisms to ensure that program effectiveness can be measured over the life of the agreement. These will be factored into program establishment and grant management reforms over the next 6 months, and should focus on reducing undue and ad hoc requests for data from the sector.

The Office strongly supports the need for realistic timeframes of up to 12 months to establish new initiatives, particularly those delivered through the non-government sector.

We note and support the need to include the true costs of administering/implementing programs under future National Partnership Agreements as a key a key lesson learnt. Adequate administrative capacity is crucial to the successful implementation of programs/initiatives.

National Partnership Agreement on Homelessness cont...

APPENDIX A

Outputs of the National Partnership Agreement on Homelessness

This section has been copied from the National Partnership Agreement on Homelessness, April 2012, page 4 and 5.

Outputs

15. This Agreement will support the achievement of the agreed objective and outcomes through a range of outputs.
16. The parties will deliver the following core outputs:
 - (a) Implementation of the A Place to Call Home initiative;
 - (b) Street to home initiatives for chronic homeless people (rough sleepers);
 - (c) Support for private and public tenants to help sustain their tenancies, including through tenancy support, advocacy, case management, financial counselling and referral services; and
 - (d) Assistance for people leaving child protection services, correctional and health facilities, to access and maintain stable, affordable housing.
17. Priorities and relative effort applied to the following additional outputs will be established in jurisdictional Implementation Plans:
 - (a) Support services and accommodation to assist older people who are homeless or at risk of homelessness;
 - (b) Services to assist homeless people with substance abuse to secure or maintain stable accommodation;
 - (c) Services to assist homeless people with mental health issues to secure or maintain stable accommodation;
 - (d) Support to assist young people aged 12 to 18 years who are homeless or at risk of homelessness to re-engage with their family where it is safe to do so, maintain sustainable accommodation and engagement with education and employment;
 - (e) Improvements in service coordination and provision;

National Partnership Agreement on Homelessness cont...

APPENDIX A continued

- (f) Support for women and children experiencing domestic and family violence to stay in their present housing where it is safe to do so;
- (g) Assistance for homeless people, including families with children, to stabilise their situation and to achieve sustainable housing;
- (h) Outreach programs to connect rough sleepers to long-term housing and health services;
- (i) National, State, and rural (including remote) homelessness action plans to assist homeless people in areas identified as having high rates of homelessness;
- (j) Support for children who are homeless or at risk of homelessness including to maintain contact with the education system;
- (k) Legal services provided to people who are homeless or at risk of homelessness as a result of legal issues including family violence, tenancy or debt; and
- (l) Workforce development and career progression for workers in homelessness services.

National Partnership Agreement on Homelessness cont...

APPENDIX B

Homelessness Programs funded in the Northern Territory under the NPAH

Homelessness Program	Program Location / Region
<p>A Place to Call Home <i>Consists of two components:</i></p> <ol style="list-style-type: none"> 1. <i>Program participants are housed and supported for a 12 month period in a public housing dwelling. Once the intensive support period concludes, clients will remain in the dwelling and the tenancy will transition into public housing, with support continued to be made available through programs such as the Tenancy Sustainability Program.</i> 2. <i>Funding for the construction of an additional 32 public housing dwellings over five years.</i> 	<p>Darwin, Katherine and Alice Springs</p>
<p>Alice Springs Crisis Accommodation <i>Provides short term housing and life skills training for people receiving mental health treatment.</i></p>	<p>Alice Springs</p>
<p>Case management – Salvation Army Hostel <i>Provides case management to clients who cycle through homelessness at the Red Shield Hostel and outreach services.</i></p>	<p>Darwin</p>
<p>Development of a Response to Youth Homelessness in Katherine <i>Provides crisis and short-term supported accommodation and coordinates a range of services for young people.</i></p>	<p>Katherine</p>
<p>South Terrace Managed Accommodation <i>Provides short to medium term managed accommodation for Indigenous people and families who are visiting to seek medical treatment or to address other essential needs.</i></p>	<p>Alice Springs</p>
<p>Palmerston Medium Term Transitional Accommodation <i>Provides medium to long term transitional accommodation and case management services to young people aged 15 to 19 years. Known as the Youth Housing Options and Pathways Program.</i></p>	<p>Palmerston</p>

National Partnership Agreement on Homelessness cont...

APPENDIX B continued

Homelessness Program	Program Location / Region
St Vincent De Paul Society – Extension of Vincentcare <i>Construction of 10 units of accommodation and provision of support for adults to make the transition to stable accommodation.</i>	Darwin
Supported Accommodation <i>Provides supported accommodation to men and case management.</i>	Darwin
YMCA Doctor’s Gully Hostel Refurbishment <i>Major upgrade to the hostel and an additional 15 rooms, a three bedroom house and a two bedroom unit. Provides medium to long term accommodation.</i>	Darwin
Alice Springs Youth Streetwork Outreach <i>Provides an after-hours response to children and young people on the streets who are identified as being at risk, including emergency accommodation.</i>	Alice Springs
Assistance for People Leaving Correctional Services <i>Works with prisoners who are due for release within three months, and continues with post release case management support to re-establish themselves in the community.</i>	Darwin, Katherine and Alice Springs
Palmerston Youth Homelessness Response <i>Provides assistance to young people to access accommodation and support services to assist with re-engaging with their family and/or community.</i>	Palmerston
Transitional Aftercare Service in Darwin <i>Provides a medium stay (up to 16 weeks), aftercare, outreach and case management service for adults. Operates as a transitional service between intensive alcohol or other drug rehabilitation and independent living.</i>	Darwin
Client Information Management Services <i>Implementation of a housing and homelessness Client Information and Referral Mechanism to better connect people to service providers.</i>	Across the Northern Territory

National Partnership Agreement on Homelessness cont...

APPENDIX B continued

Homelessness Program	Program Location / Region
<p>Patterson St Domestic Violence and Transitional Accommodation in Darwin <i>Provides operational funding for eight self-contained units as transitional accommodation for women and children escaping domestic and family violence.</i></p>	Darwin
<p>Remote Safe Houses <i>Establishment of new safe houses at Wadeye and Gunbalanya providing crisis accommodation for women and children escaping domestic violence. Also contributes to and supports an integrated service response to family violence.</i></p>	Wadeye and Gunbalanya
<p>Intervention and Case Management Services <i>Collectively aims to reduce antisocial behaviour and primary homelessness. Principally aimed at Indigenous people sleeping rough in town areas. Includes the Return to Country program, referral and identification services, outreach and logistical support and assistance in finding accommodation and welfare.</i></p>	Darwin (including Palmerston), Katherine and Alice Springs
<p>Youth Development Crisis Accommodation – Tennant Creek <i>Provides youth accommodation services to assist young Indigenous people to access secure accommodation, attend school or training, engage with family and build life skills.</i></p>	Tennant Creek
<p>Domestic and Family Violence Support <i>Provides assistance to families, individuals and communities for the care and protection of children and young people and to support family wellbeing.</i></p>	Various across the Territory
<p>Tenancy Sustainability Program <i>Service providers offer case management and life skills training to public housing tenants and applicants, as well as residents of town camps, who require assistance to manage and sustain their tenancies. It is a voluntary program.</i></p>	Darwin, Darwin town camps, Katherine, Borroloola, Tennant Creek, Alice Springs and Alice Springs town camps

National Partnership Agreement on Homelessness cont...

APPENDIX B continued

Homelessness Program	Program Location / Region
<p>Young People Leaving Care <i>Provides support to young people leaving the care system and those who have previously left the care of the Department of Children and Families to gain independence by providing linkages to employment, education, housing and other support services in accordance with legislative requirements. Also known as the Moving on Program.</i></p>	<p>Across the Northern Territory</p>

National Partnership Agreement on Homelessness cont...

APPENDIX C

Abbreviations

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
NGO	Non-Government Organisation
NAHA	National Affordable Housing Agreement
NPA	National Partnership Agreement
NPAH	National Partnership Agreement on Homelessness
NTHIP	Northern Territory Homelessness Implementation Plan
SAAP	Supported Accommodation Assistance Programme
SHS	Specialist Homelessness Services

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Matters Referred to Auditor-General Pursuant to Section 6 of Public Information Act

Background

The *Public Information Act* (the Act), which came into effect in 2010, seeks to achieve a transparent and accountable mechanism for the review of public information produced by public authorities. A public authority is defined in section 6 of the Act and that definition is broad, capturing any:

- Member of the Legislative Assembly or the holder of any office of the Legislative Assembly;
- Agency or body corporate established under a law of the Territory;
- body corporate that is held to be controlled by a public authority; and
- person appointed or engaged to perform work for a public authority.

Excluded from the definition are holders or occupiers of:

- judicial office;
- an office as a member of a tribunal established under a law of the Territory;
- the Auditor-General;
- a council constituted pursuant to the *Local Government Act*;
- the Territory Insurance Office;
- the Power and Water Corporation; and
- a person or body prescribed by regulation.

The definition of what constitutes public information is equally broad and is defined as “information given by a public authority to the public by using money or other property of the Territory...”. Exemptions from this definition are:

- information provided by a Member of the Legislative Assembly to members of his or her electorate if the preparation and giving of the information is funded by an allowance payable to the Member for the electorate under a law of the Territory;
- a media release of a Member of the Legislative Assembly; and
- information prescribed by regulation.

Matters Referred to Auditor-General Pursuant to Section 6 of Public Information Act cont...

Section 6(1) of the Act provides that the Auditor-General must, upon the receipt of a written request of a Member of the Legislative Assembly, conduct a review of that information to determine whether the provisions of the Act have been contravened.

The Auditor-General may determine that the Act has been contravened if the material that is the subject of the review contravenes section 6(2) of the Act in that it:

- promotes particular party interests;
- includes statements that are misleading or factually inaccurate; or
- does not clearly distinguish a statement of facts from a statement of comments.

Section 6(3) of the Act states that the Auditor-General must have regard to the public information guidelines in making a determination under the Act.

Matters Referred to Auditor-General Pursuant to Section 6 of Public Information Act cont...

Public Information Guidelines

Section 9 of the Act permits the Minister to make guidelines to provide for the matters to be taken into account by the Auditor-General in making a determination under the Act and I have referred to the Public Information Guidelines as part of my consideration of the request made to me pursuant to section 6 of the Act and which is the subject of this report.

The guidelines establish standards for communication and these require inter alia that information is factual and that public authorities not comment on the views, policies or actions of a political party or politicians.

The guidelines also require that communication utilising public funds must meet at least one of the following criteria:

- to maximise compliance with the law;
- to achieve awareness of a new or amended law;
- to ensure public safety, personal security or encourage responsible behaviour;
- to assist in the preservation of order in the event of a crisis or emergency;
- to promote awareness of rights, responsibilities, duties or entitlements;
- to encourage usage of or familiarity with government products or services;
- to report on performance in relation to government undertakings;
- to communicate functions of government, e.g. education campaigns; recruitment, community engagement, expressions of interest, future plans;
- to communicate on matter (sic) of social cohesion, civic pride, community spirit and/or tolerance.

Matters Referred to Auditor-General Pursuant to Section 6 of Public Information Act cont...

The Referral of a Complaint to the Auditor-General

On 10 January 2013 a Member of the Legislative Assembly referred to me, pursuant to section 6(1) of the Act, a copy of an advertisement that had appeared in the Northern Territory News on 5 January 2013 and alleged that the contents of the letter breached the principles laid down in the Act. A second allegation about the same advertisement was submitted to me by another Member of the Legislative Assembly on 14 January 2013. The advertisement in question was titled "*We are all Territorians – united as one*" and appeared over a by-line "*From the Office of the Minister for Regional Development and Indigenous Advancement*".

Review of the Allegations

I reviewed the advertisement and concluded that the Act was not contravened. I arrived at that conclusion because I did not consider that the advertisement:

- included any overt statements that might be construed as promoting a particular political party's interests;
- included statements that were misleading or factually inaccurate; or
- confused statements of facts from statements of comments

When the advertisement was considered in the context of the guidelines made under the Act it might be argued that it did attempt to address social cohesion and on that basis I concluded that the guidelines were not contravened.

The advertisement in question was an attempt to correct misleading views that may have been held by the public following the broadcast of a radio program on 28 December 2012, and the publishing of a newspaper article on 29 December 2012 about funding to be provided for the repairs and maintenance of outstation dwellings. When the contents of both were taken into account it was not difficult to come to the view that the Minister acted reasonably in seeking to correct misconceptions that the public may have held.

Matters Referred to Auditor-General Pursuant to Section 6 of Public Information Act cont...

Conclusions

As a result of my review I concluded that a contravention of *the Public Information Act* did not occur in that:

- statements of comment in the advertisement were distinguishable from statements of fact;
- the advertisement did not contain comments that might be construed by a reasonable person as misleading or factually inaccurate; and
- the advertisement did not include statements that a reasonable person might consider as comment on the views, policies or actions intended to promote the interests of a particular political party.

At the same time I concluded that the guidelines issued pursuant to the Act had not been breached. One of the purposes of public information set down in the guidelines is “*to communicate on matters of social cohesion, civic pride, community spirit and/or tolerance*”. I concluded that the advertisement in question could be defended on that ground.

Recommendation

Section 8(3) of the Act permits me to make recommendations. However, any recommendations under that section are limited to:

- the withdrawal of the public information; or
- that specified changes be made to the content of the public information.

Given my conclusions, above, I made no recommendations in relation to this advertisement.

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Appendices

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Appendix 1: Audit Opinion Reports Issued Since 31 December 2012

Acquittals or Other Returns for the year ended 30 June 2012

	Deadline for submission of Audited Financial Statements	Date of Audit Report Year ended 30 June 2012	Date of Audit Report Year ended 30 June 2011
<i>Nation Building Program (National Land Transport) Act :</i>			
Investment Program	31 December 12	4 March 2013	20 December 11

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Appendix 2: Overview of the Approach to Auditing the Public Account and Other Accounts

The requirements of the *Audit Act* in relation to Auditing the Public Account and Other Accounts are found in:

- Section 13, which requires the Auditor-General to audit the Public Account and other accounts, with regard to:
 - the character and effectiveness of internal control, and
 - professional standards and practices.
- Section 25, which requires the Auditor-General to issue a report to the Treasurer on the Treasurer's Annual Financial Statement.

What is the Public Account?

The Public Account is defined in the *Financial Management Act* as:

- the Central Holding Authority, and
- Operating accounts of Agencies and Government Business Divisions.

Audit of the Public Account

Achievement of the requirements of section 13, including the reference to the character and effectiveness of internal control, as defined, can occur through:

- annual financial statement audits of entities defined to be within the Public Account, in particular Government Business Divisions, which have a requirement for such audits under the *Financial Management Act*; and
- an audit approach which the Northern Territory Auditor-General's Office terms the Agency Compliance Audit. This links the existence of the required standards of internal control over the funds administered within the Public Account, to the responsibilities for compliance with required standards as defined for Accountable Officers.

Appendix 2: Overview of the Approach to Auditing the Public Account and Other Accounts cont...

Areas of internal control requiring a more in-depth audit, because of materiality or risk, can also be addressed through:

- specific topic audits of the adequacy of compliance with prescribed internal control procedures. These can be initiated as a result of Agency Compliance Audits, or pre-selected because of the materiality or inherent risk of the activity; and
- reviews of the accounting processes used by selected Agencies at the end of the financial year, to detect if any unusual or irregular processes were adopted at that time.

Other accounts

Although not specifically defined in the legislation, these would include financial statements of public entities not defined to be within the Public Account, as well as the Trust Accounts maintained by Agencies.

Audit of the Treasurer's Annual Financial Statement

Using information about the effectiveness of internal controls identified in the overall control environment review, Agency Compliance Audits and financial statement audits, an audit approach is designed and implemented to substantiate that balances disclosed in the Statement are in accordance with the disclosure requirements adopted by the Treasurer, and are within acceptable materiality standards.

The audit report on the Statement is issued to the Treasurer. The Treasurer then tables the audited Statement to the Parliament, as a key component of the accountability of the Government to the Parliament.

Appendix 3: Overview of the Approach to Auditing Performance Management Systems

Legislative Framework

A Chief Executive Officer is responsible to the appropriate Minister under section 23 of the *Public Sector Employment and Management Act* for the proper, efficient and economic administration of his or her agency. Under section 13 (2)(b) of the *Financial Management Act* an Accountable Officer shall ensure that procedures “*in the agency are such as will at all times afford a proper internal control*”. Internal control is further defined in section 3 of the Act to include “*the methods and procedures adopted within an agency to promote operational efficiency, effectiveness and economy*”.

Section 15 of the *Audit Act* complements the legislative requirements imposed on Chief Executive Officers by providing the Auditor-General with the power to audit performance management systems of any agency or other organisation in respect of the accounts of which the Auditor-General is required or permitted by a law of the Territory to conduct an audit.

A performance management system is not defined in the legislation, but section 15 identifies that: “*the object of an audit conducted under this section includes determining whether the performance management systems of an agency or organisation in respect of which the audit is being conducted enable the Agency or organisation to assess whether its objectives are being achieved economically, efficiently and effectively.*”

Operational Framework

The Northern Territory Auditor-General’s Office has developed a framework for its approach to the conduct of performance management system audits, which is based on our opinion that an effective performance management system would contain the following elements:

- identification of the policy and corporate objectives of the entity;
- incorporation of those objectives in the entity’s corporate or strategic planning process and allocation of these to programs of the entity;
- identification of what successful achievement of those corporate objectives would look like, and recording of these as performance targets;

Appendix 3: Overview of the Approach to Auditing Performance Management Systems cont...

- development of strategies for achievement of the desired performance outcomes;
- monitoring of the progress with that achievement;
- evaluation of the effectiveness of the final outcome against the intended objectives; and
- reporting on the outcomes, together with recommendations for subsequent improvement.

Performance management system audits can be conducted at a corporate level, a program level, or at a category of cost level, such as capital expenditure. All that is necessary is that there be a need to define objectives for intended or desired performance.

Appendix 4: Abbreviations

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
AIS	Asset Information System
AMS	Asset Management System
BAMS	Building Asset Management System
BDC	Building Data Collection System
COTS	Commercial off the shelf
DTIMS	Deighton's Total Infrastructure Management Sys
eFOS	Electronic Fee Offer
ERP	Enterprise Resource Planning
Housing	Department of Housing
IT	Information Technology
NAHA	National Affordable Housing Agreement
NGOs	Non-Government Organisations
NPA	National Partnership Agreement
NPAH	National Partnership Agreement on Homelessness
NTG	Northern Territory Government
NTHIP	Northern Territory Homelessness Implementation Plan
OCF	Office of Children and Families
PRS	Project Reporting Sys
RIMS	Road Information Management System
SAAP	Supported Accommodation Assistance Programme
SHS	Specialist Homelessness Services
SI	Systems Integrator

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