

# **Contract management framework overview**

**Homes  
Tasmania**

Building homes,  
creating communities.

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# Contract management of housing programs

The contract management framework (framework) outlines how Homes Tasmania works with organisations to deliver safe, affordable and accessible housing for Tasmanians. Homes Tasmania uses a structured yet flexible approach to manage contracts, ensuring services are delivered effectively and transparently. The framework is designed to foster strong partnerships that enable both parties to deliver quality housing outcomes.

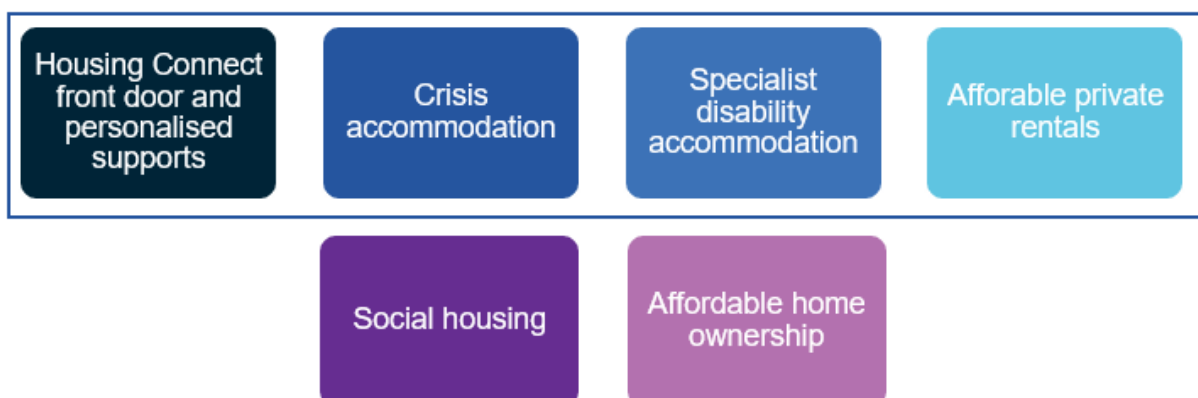
The framework ensures there are systems and processes in place that support contract management to ensure:

- contracts are achieving better outcomes
- organisations have the ongoing capacity and capability to deliver the agreed outcomes
- issues and risks are being managed to ensure the stable and uninterrupted delivery of housing programs
- there is clarity and accountability for all parties about how housing programs are delivered.

This document provides an overview of the principles and processes that guide the framework. More detailed procedures and tools for operational support are available separately.

## Scope of the contract management framework

At this stage, the contracts within the scope of the framework cover a subset of all housing programs. Housing programs fall into six key delivery areas, with Housing Connect front door and personalised supports, crisis accommodation, specialist disability accommodation, and affordable private rentals currently in scope:



# An overview of the framework

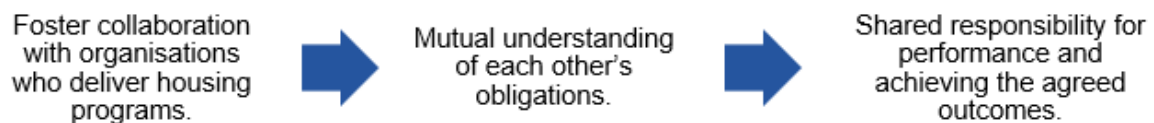
## OBJECTIVE

Drives the requirements for managing contracts and our relationship with organisations who deliver housing programs.

It enables us to collaborate with organisations to deliver quality services and achieve the outcomes agreed in contracts.

## GUIDING PRINCIPLES

Underpin the contractual relationship to define how we work together with organisations to achieve the objective.



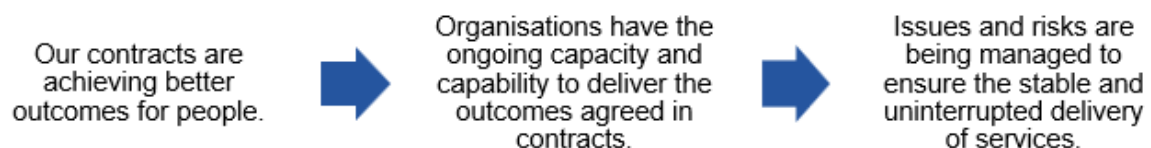
## PROCESSES

Explain the requirements to assist both parties in meeting their responsibilities and achieving the outcomes agreed in the contracts.



## EXPECTED OUTCOMES

Demonstrate that funded contract management is achieving its objective.



# Guiding principles

*Underpin the contractual relationship to define how we work with organisations to achieve our objectives.*

These principles underpin the contractual relationship between Homes Tasmania and organisations, defining how we collaborate to achieve shared objectives. Contracts outline responsibilities and obligations, with three key principles forming the foundation of the partnership. The framework focuses on building both parties' strengths to support our capabilities and encourage new, innovative approaches.

**Foster collaboration**  
with organisations who  
deliver housing  
programs.

**Mutual understanding**  
of each other's  
obligations.

**Shared responsibility**  
for quality service and  
achieving the outcomes.

## Foster collaboration

Contracts define governance, financial management, service delivery requirements and costs. Both parties share responsibility for understanding their obligations and performance expectations. Transparent communication guides engagement, ensuring collaboration, open dialogue and mutual respect are maintained for effective service delivery.

## Mutual understanding

A strengths-based approach leverages the strengths of both parties to promote innovation and continuous improvement. It involves enhancing organisations' capabilities through tailored guidance and support, while clear communication ensures a shared understanding of roles and responsibilities in delivering agreed services.

## Shared responsibility

This approach emphasises building capacity over addressing deficiencies by valuing the contributions of both parties. Collaboration addresses capability gaps and fosters an environment of ongoing improvement, ensuring services are delivered effectively and outcomes are achieved.

# Processes

*Explain the requirements to assist both parties in meeting their responsibilities and achieving the outcomes agreed in the contracts.*

## The processes for managing contracts

The processes outlined in the framework ensure Homes Tasmania and organisations understand each other's roles and responsibilities and describe the actions that need to be taken. These processes are detailed in standard and program-specific documents that:

- offer relevant information for organisations and contract managers
- use a modular structure for easy access
- include practical, user-friendly tools and resources.

The processes are illustrated in the diagram below.



# Relationship management

Effective relationship management is essential to successful service delivery. These relationships are built on trust, collaboration, and mutual respect.

## Building strong partnerships

Homes Tasmania and organisations collaborate closely to deliver services, identify improvements and address issues early. This fosters an open and constructive working relationship, strengthening service delivery and enhancing housing program outcomes.

## Inclusive communication

Regular communication ensures alignment between all parties. This includes scheduled meetings, performance updates, and active participation in working groups. By listening to the needs of the community and the lived experiences of those receiving support, the partnership remains responsive to evolving demands.

## Tailored support

Given the diversity of organisations, which vary in size, capacity, and geographic location, Homes Tasmania adapts support to align with these different circumstances. This ensures all organisations are offered targeted guidance and assistance where needed to meet contractual obligations.

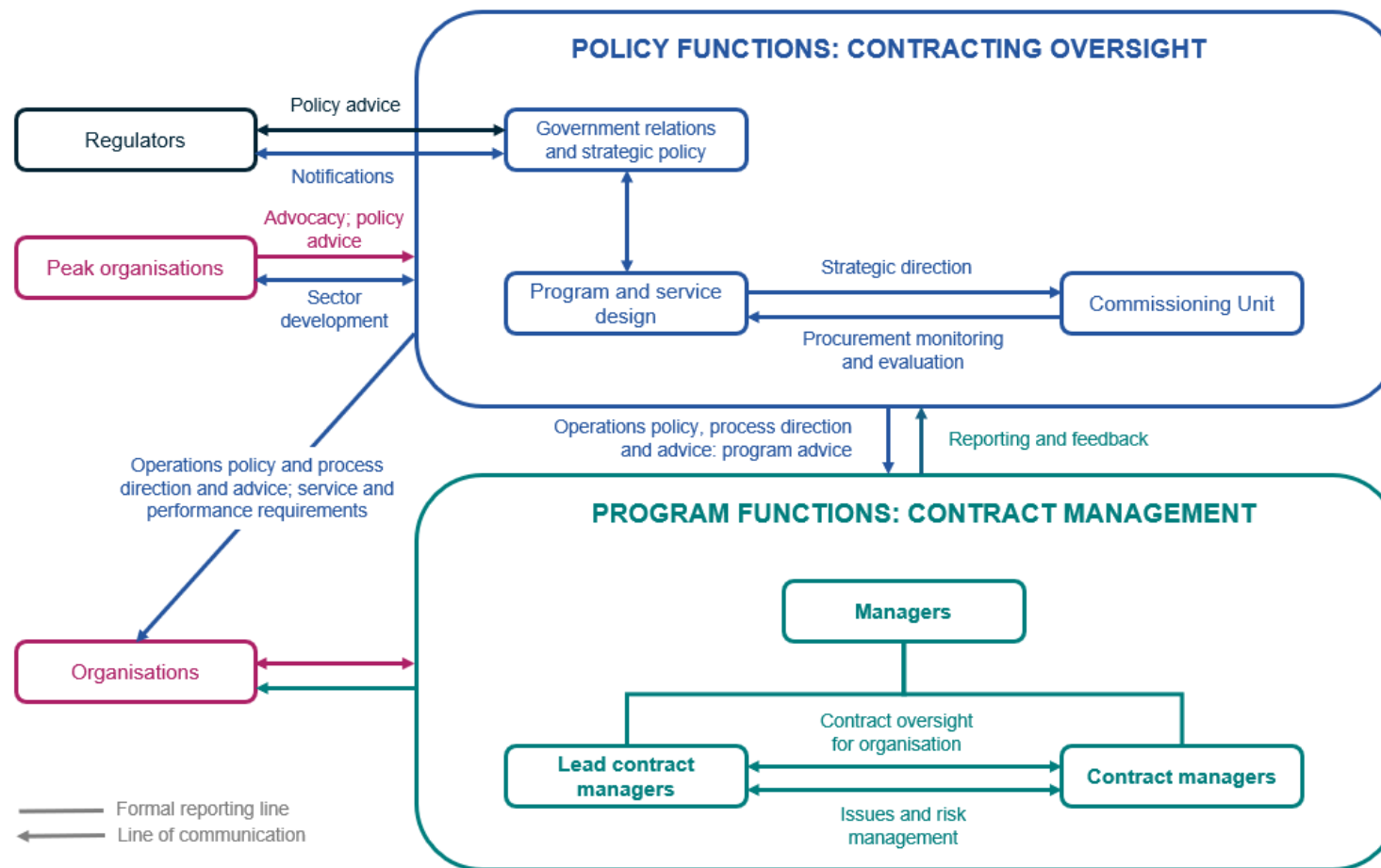
## Key roles and responsibilities

Homes Tasmania and external stakeholders each play key roles in the design, implementation, delivery and management of housing programs. These roles span across Program and Service Design, Commissioning, Contract Management, and the broader housing sector, which includes organisations, peak organisations and regulators. Each role has distinct responsibilities, and their interactions are outlined in the key relationships diagram.

Together, these roles ensure the effective delivery of housing programs. More information on [roles and responsibilities](#) can be found here.

## Key relationships

Consultation, collaboration and knowledge sharing are central to communication between all parties to deliver housing programs. The diagram below highlights key aspects of these relationships within Homes Tasmania and with external stakeholders. A text description of this diagram can be accessed [here](#).





# Risk management

## Managing risk

Effective risk management is essential to ensuring the stability and success of housing programs. Homes Tasmania takes a proactive approach to identifying, assessing and mitigating risks at multiple levels.

### Contract level

Risks may relate to specific housing programs, such as service delivery challenges, tenant wellbeing, or localised operational issues. These risks are monitored closely by organisations, contract managers and regulators.

- Risks are identified by organisations, contract managers, or regulators.
- Risks are mainly managed by the organisation delivering the service, with support from program policy if needed.
- Risks are monitored by the organisation, the contract manager, and the Commissioning Unit.

### Corporate level

Risks may involve governance and financial oversight, including asset management practices and compliance with regulatory requirements. Homes Tasmania works with organisations to ensure these risks are managed effectively, providing guidance and support where needed.

- Risks are identified by organisations, contract managers, or regulators.
- Risks are managed by the organisation.
- Risks are monitored by the organisation, the contract manager, and the Commissioning Unit.

### System level

Broader risks affecting the overall contract management framework are monitored at a strategic level. This ensures that systemic issues are identified early and addressed through policy adjustments or additional resources.

- Risks may be identified by anyone.
- Risks are managed by the relevant area within Homes Tasmania.
- Risks are monitored at a strategic level by the Commissioning Unit.

This approach ensures risks are managed at the right level, with clear responsibility and appropriate oversight, while allowing issues to be escalated when they have wider impacts.

## Embedding risk management

Homes Tasmania uses the Three Lines of Defence model to manage risk in a clear and structured way. The model helps ensure risks are managed at the right level, with appropriate oversight and independent assurance. Risk controls are built into everyday processes to support stable, effective and resilient service delivery.

### First line of defence, managing risk

The first line of defence is where risks are actively managed as part of day-to-day work. Responsibility and accountability sit with those directly delivering and managing services.

- Take ownership for identifying, assessing, controlling and reducing risks.
- Manage risks through contract documents, program policies, and the contract management framework.
- Use system controls to support consistent and compliant practice.

### Second line of defence, overseeing risk and compliance

The second line of defence provides oversight and support. It helps ensure risk management and compliance arrangements are working as intended and that risks are reported appropriately.

- Monitor and support effective risk management and prudential controls.
- Enable regular reporting and escalation of risk-related information.
- Use quarterly reporting, annual accountability processes, and focus area reporting to track risk and performance.

### Third line of defence, providing independent assurance

The third line of defence provides independent assurance that risk management systems are robust and working properly.

- Conduct internal and external audits.
- Provide reporting to the Homes Tasmania Finance, Risk and Audit Committee.
- Liaise with and report to relevant regulatory agencies.

Together, the three lines of defence ensure risks are managed close to where they arise, overseen appropriately, and independently reviewed to support transparency, accountability and proportionate governance.

# Contract administration

## Performance and accountability

Performance monitoring is a vital aspect of contract management, fostering regular interaction between Homes Tasmania and organisations to ensure services are delivered as agreed, risks are effectively managed, and organisations have capacity and capability to meet key deliverables and agreed outcomes.

Our approach to monitoring performance ensures that services address the needs of people and deliver the agreed outcomes. This ensures housing programs are being provided by competent and accountable organisations and helps us succeed in our role as commissioner of services and enable better outcomes for people.

Three key methods are used to monitor and support performance:

- Regular monitoring and ongoing reviews help track progress, measure performance and address issues early. Organisations can also share achievements and collaborate on solutions.
- Periodic assessments and evaluations provide a comprehensive view of organisation performance, financial management and the overall health of the housing sector, measured by defined financial and service delivery indicators.
- Focus area reporting are conducted as needed to address significant issues, assess new organisations to deliver housing programs, or review eligibility for changes to contracts.

Performance reviews focus on three key areas:

- Governance arrangements are regularly reviewed to ensure organisations have policies to manage complaints, fraud, corruption, and risks.
- Financial reports are reviewed to confirm organisations are managing assets, liabilities, and grant funding responsibly.
- Service delivery reports are assessed to ensure organisations meet contract requirements and address any issues to keep services on track.

## Contract negotiations and variations

Homes Tasmania enters contractual arrangements with organisations through leases for properties and grant deeds for funding to deliver services. Variations to contractual arrangements may be required to ensure housing services meet expected outcomes and align with policy decisions.

The framework outlines key elements in contract negotiations to ensure clarity and mutual accountability.

- Defining deliverables by outlining the expected outcomes, services and performance standards.
- Setting governance structures by establishing oversight mechanisms and decision-making processes.
- Agreeing financial arrangements by ensuring transparency and accountability in how funds are allocated.
- Incorporating feedback by considering input from organisations and stakeholders to ensure the contract meets practical needs.
- Addressing risk by identifying potential risks and implementing mitigation strategies.

The framework includes provisions for contract variations to address changes in service delivery, funding and community needs.

Contract variations may involve adjustments to:

- scope of services, changes in the type or extent of services delivered
- funding arrangements, updates to financial allocations based on revised requirements
- performance measures, modifications to key performance indicators or reporting requirements
- timeframes, adjustments to delivery timelines.

The framework makes certain the process for negotiating variations is collaborative and transparent, ensuring that any changes are agreed upon and implemented with minimal disruption.

## Contracting issues and complaints

The effective management of contracting issues and complaints is crucial to maintaining strong partnerships and ensuring the success of housing programs.

The framework provides a clear, structured approach for managing contracting issues, with the goal to resolve concerns effectively, minimise disruption and maintain high service standards.

There are four types of contracting issues:

1. General contracting issues are handled by working together.
2. Contracting complaints that we receive are managed by us in consultation with you.
3. Disputes are referred to senior management and the Homes Tasmania Board and are subject to the dispute resolution provisions of the contract.
4. Allegations of misconduct are managed separately from complaints through the Commissioning Unit, although an allegation may have been initially reported as a complaint.

The framework encourages early communication to address concerns before they escalate. Clear channels for raising complaints ensures transparency and open dialogue between both parties, fostering a collaborative environment for resolving issues.

For issues that remain unresolved, a formal complaint process is available with online forms. This process ensures complaints are handled in a structured, transparent and impartial manner, prioritising fairness and accountability.

A performance improvement plan may be introduced that will outline actions and timeframes to resolve contracting issues. These plans target areas such as governance, financial management or service delivery. Both parties work collaboratively in meeting required actions.

The framework outlines clear timeframes for investigating and resolving complaints to minimise disruption to service delivery and manage risks effectively. Investigations are conducted transparently, and organisations receive guidance throughout the resolution process to navigate challenges and improve outcomes.

In all cases, Homes Tasmania is committed to addressing complaints fairly and promptly, working with organisations to ensure continued service delivery.

## Funding and leasing arrangements

Funding and leasing arrangements are the primary mechanisms Homes Tasmania uses to define funding and property management responsibilities.

Funding arrangements set out how funds must be used, outlining financial accountability, program purpose and target cohorts, policy requirements, and compliance obligations. They also establish reporting and performance expectations.

Leasing arrangements ensure Homes Tasmania properties are maintained and used as intended, with clear requirements for property obligations, agreed supports to be delivered within the property, and compliance with laws. They also set out responsibilities for rental payments, maintenance, reporting and performance expectations.

Both arrangements contain conditions requiring initial discussion with Homes Tasmania and written approval for certain activities. The framework provides guidance on these requirements, including online application forms for a structured and efficient approval process.

Organisations can find guidelines and information on some of these conditions, including use of relevant forms to ensure all relevant information is submitted, on the Homes Tasmania website:

- [returning or retaining unexpended funds](#)
- [engaging a sub-contractor or seeking approval for unauthorised activity](#)
- [an organisational change of control](#)

## Reporting obligations

The reporting obligations within the contract management framework ensure transparency, accountability and continuous improvement in housing programs. These reports confirm that funds are being used responsibly, performance targets are being met, and services remain of high quality and safe for tenants. The framework outlines specific reporting responsibilities for both parties.

Not all reporting is applicable, and contracts will specify the reporting obligation.

### Annual accountability reporting

Annual accountability reporting provides assurance that grant funds are used in accordance with contractual agreements. It supports financial monitoring, compliance with funding arrangements by ensuring:

- organisations demonstrate how funding has been allocated and spent, supported by audited financial statements and the Annual Grant Funding Accountability Report (AGFAR)
- there is enhanced oversight of governance and service delivery
- annual reporting supports an overarching assessment of the housing sector's capacity, ensuring stability and alignment with community needs.

### Ongoing reporting

Ongoing reporting monitors service delivery, tracks performance and supports continuous improvement in housing programs. Key reporting requirements include:

- Quarterly reports on performance against key performance indicators help assess progress in meeting agreed service delivery targets. This ensures that services are meeting expectations and allows for adjustments where necessary.
- National performance data submitted to the Australian Institute of Health and Welfare contributes to the broader understanding of housing outcomes and informs national policy.
- Incident reporting ensures that any disruptions or risks to service delivery or tenant safety are promptly addressed. This helps manage risks to service quality and ensures that appropriate actions are taken.

## Record keeping

Record keeping plays a pivotal role in the effective operation of the framework, ensuring accountability, compliance and informed decision-making. It supports improved outcomes by providing a reliable foundation for assessing performance, managing risks and delivering high-quality services.

The framework provides clear direction on record keeping requirements for Homes Tasmania.

- Good record keeping enables transparency and accountability, meeting the expectations of Ministers, Parliament, organisations, housing program participants and the public. It helps demonstrate that decisions and actions are evidence-based, well-documented, and compliant with legislative and regulatory obligations.
- Within the framework, maintaining accurate and secure records fosters consistency in contract management, supports oversight and strengthens relationships with organisations who deliver housing programs. Comprehensive records also ensure that critical information is readily available to support policy development, program evaluation, and responses to legal or ministerial enquiries.
- By embedding sound record keeping practices into the framework, organisations can enhance service delivery, improve outcomes for stakeholders, and maintain compliance with relevant laws and standards, including the *Archives Act 1983* and information management policies.



## Continuous improvement

Homes Tasmania is committed to continuously improving its contract management approach to better support organisations and deliver effective housing programs. The framework will evolve through feedback, experience and best practices, ensuring that Homes Tasmania and its partners are well-prepared to meet the future challenges of housing delivery in Tasmania.

Organisations seeking further guidance or support are encouraged to contact their contract manager or email [commissioning@homes.tas.gov.au](mailto:commissioning@homes.tas.gov.au).

Visit the [Homes Tasmania website](#) for:

- full details of key roles and responsibilities
- explanation of annual accountability
- resources to assist organisations with managing housing program contracts

## Version control

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