



Planning,
Industry &
Environment

Addendum 1 – Additional Questions Response

from

NSW Land and Housing Corporation

to

The Public Accounts Committee:

Follow-up Review of the Management of NSW Public Housing
Maintenance Contracts

31 May 2021

Introduction

On 22 January 2021, the NSW Land and Housing Corporation (LAHC) made a submission to the Public Accounts Committee as part of a follow up review of the maintenance NSW public housing maintenance contracts.

On 10 May 2021, representatives of LAHC attended a Public Accounts Committee hearing, following which additional questions were given on notice to LAHC by the Committee.

This Addendum 1 is provided to the Committee in response to those additional questions.

Theme 1

The current administrative and contractual arrangements between Land and Property NSW and private providers of maintenance services.

Comment from the Committee

As part of the changes to the machinery of Government, LAHC has moved from the Department of Communities and Justice (DCJ) to the Department of Planning, Industry & Environment (DPIE).

The NSW Ombudsman noted that the separation of the LAHC and DCJ, combined with the introduction of more community housing providers and the outsourcing of asset maintenance works, has created confusion among tenants and advocates about the maintenance process, leading to further inefficiencies and delays in service provision.

Question 1

- What is the relationship and communication between the NSW Land and Housing Corporation (LAHC), Department of Communities and Justice and the contractors?

LAHC Response

LAHC has strong and collaborative relationships with both DCJ Housing, who are responsible for tenancy management, as well as Asset Maintenance Service (AMS) Contractors, who are responsible for the maintenance services for LAHC owned properties. Between DCJ, AMS Contractors and LAHC, tenants residing within public housing properties are provided maintenance services to their homes in accordance with the *Residential Tenancies Act 2010* (RTA).

DCJ Housing deliver tenancy management functions under a Service Level Agreement (SLA) across LAHC's portfolio. Under this agreement, DCJ is responsible for eligibility, access and tenancy management services on behalf of LAHC. A revised SLA between LAHC and DCJ was entered into in March 2021 and builds upon earlier agreements with a heightened focus on improved client experience, accountability, governance, reporting and asset management outcomes.

DCJ is responsible for managing tenants' expectations in relation to maintenance delivery as well as assisting tenants with maintenance queries and property issues. DCJ communicates regularly with tenants and provides information regarding their obligation to care for their property and report maintenance issues in a timely manner. This includes access to the Contractor Maintenance Line (1800 422 322) to raise maintenance requests. DCJ Housing staff have access to systems where maintenance work orders are tracked to be able to view maintenance and provide tenants with updates in relation to work LAHC is managing with the Contractor.

At an operational level, DCJ staff frequently engage with both AMS Contractors and LAHC staff should assistance be required in facilitating a repair or maintenance outcome for tenants.

LAHC and DCJ staff regularly communicate and collaborate to provide positive tenant outcomes. Existing protocols, known as the Exchange Guidelines, are in place to exchange information in

relation to tenancy and maintenance activities to ensure LAHC and DCJ jointly manage matters. In addition, there are localised meetings that occur (at a team level) to discuss priority business activities where there are joint responsibilities including vacant management, disability modifications, escalated maintenance issues, NSW Civil and Administrative Tribunal (NCAT) matters and access related issues. At a more strategic level, senior LAHC and DCJ staff meet at least monthly to discuss emerging issues and business priorities and to ensure key messaging is cascaded to relevant staff.

While DCJ has the lead role in communicating with tenants, LAHC staff and contractors are expected to provide a high level of service to tenants and frequently communicate with tenants in relation to maintenance delivery in various ways including via telephone, email, text messaging and on-site visits. In instances where there is complexity in resolving a repair or maintenance issue due to a tenant's medical, mental health or other vulnerabilities, then LAHC, DCJ and the Contractor will undertake joint inspections at the tenant's home and work in a collaborative manner to ensure a suitable outcome is achieved.

To further support effective tenant communication, LAHC has staff dedicated to stakeholder and engagement activities which includes participation and attendance at community and precinct meetings, most notably the Neighbourhood Advisory Boards in the Inner City.

LAHC and DCJ are focused on continually improving the tenant experience. Both agencies are actively participating and are committed to a number of joint initiatives that are client focussed:

- Set For Success – A joint project focused on enhancing Client Service Visits to improve tenancy and property management outcomes and provide tenants with links to necessary support services if needed.
- DCJ/LAHC collaborative 'working together' project – A joint project that aims to improve the end to end tenant experience in relation to matters whereby LAHC and DCJ have joint responsibility or cross functions. As part of this process, LAHC provides DCJ staff with mandatory training in relation to the maintenance service delivery to be able to better support tenants with their maintenance concerns and better set tenant expectations on how maintenance is prioritised.

Contractors are the direct point of contact for tenants for reporting and requesting maintenance repairs. Tenants should also contact Contractors directly and in the first instance if they would like to follow up on the progress of works or to make a complaint. The Contractor is required to manage these calls through to resolution. If the tenant is dissatisfied with the response or solution provided by the Contractor, they are transferred by the Contractor through to the DCJ Client Feedback Unit which records the complaint and forward it to LAHC for escalation and resolution with the Contractor. LAHC has implemented revised scripts as part of the AMS Contract extension to strengthen the communication between Contractors and tenants in the delivery and follow up of maintenance.

Contractors and LAHC work together to achieve operational and performance outcomes. LAHC's operational teams work closely with Contractors through requests and negotiation of scopes and quotations for programmed works as well as the management of NCAT and complaint matters. Contractors are also required to provide information to LAHC teams on works scoped for future programs and participate in a communication process with tenants on the delivery of these works. LAHC's Compliance staff also work with the Contractors through the identification of any maintenance quality defects and the management of non-conformance notices issued to the Contractors to rectify such defects.

From a performance perspective, both LAHC and the Contractors have an Authorised Person who takes the lead on Contractual performance matters with two escalation points being the Levels 1 and 2 escalation representatives in both organisations. Performance management of the Contractors is undertaken in collaboration between the Authorised persons based on performance data recorded in LAHC's IT system including timeliness of works and quality information.

Contractors also have a direct relationship with local DCJ Housing teams. DCJ Housing (or any tenant representative) can call the Contractor Contact Centre directly to lodge a maintenance request for a tenant or to request an update on a maintenance repair on behalf of a tenant. Contractors work closely with DCJ Housing when critical works are required such as an annual smoke alarm service and when a tenant denies access to the property. In these instances, DCJ Housing will work with the tenant in the first instance to try to obtain permission to access the property to enable work to proceed but, if these attempts are unsuccessful, DCJ Housing may obtain an access order and attend the property with the Contractor to gain access. Contractors may also work with DCJ Housing in advising any need for DCJ to source temporary accommodation for a tenant if their property has become uninhabitable due to a fire or other property-related incident.

Question 2

- What mechanism have been put in place to ensure the previous confusion in communication identified in the 2016 inquiry do not recur?

LAHC Response

As mentioned by LAHC in its original submission, a key drawback of the previous contract (MRP08) was that tenants were not able to communicate directly with maintenance Contractors when notifying repair issues. Under the AMS Contract, tenants are able to have direct engagement with the Contractor in relation to their maintenance concerns. The change has provided better access for tenants to report maintenance needs in several ways:

- The Contractor Maintenance Line telephone number is available 24 hours a day, 7 days a week
- An internet based e-Repair service to report non-urgent maintenance needs
- On average 3 minute response time for tenants to be connected to a Contractor Contact Centre operator.

Tenants are able to talk to a technically qualified person and schedule their maintenance. Direct contact with the Contractor means a more accurate assessment of the work required and more maintenance issues are fixed on the first visit. When receiving a call, the maintenance line operator relies on the information provided by the tenant to assess the criticality of the maintenance issue. LAHC has provided Contractors with a Criticality Repairs Matrix which specifies maximum repair completion times for maintenance repairs. This tool emphasises tenant and community safety, and ensures consistency of responses to maintenance issues across the state. Contractors also have the ability to attend to repair in a shorter timeframe if they determine a heightened level of risk to the tenant based on information provided by the tenant at the time of the call.

To further enhance the tenant experience, LAHC implemented a number of improvements through the AMS Contract extension. In March 2021, LAHC implemented revised Contractor Scripts to improve communication between tenants, Call Centre Operators and Inspectors. As well as enhancing the tenant experience, the scripts better inform and manage tenant expectations with respect to maintenance, in particular planned works. Although it is too early to fully evaluate the effectiveness of this change, advice received from tenants is that they are pleased with the improved communication concerning the outcome of technical inspections and planned works.

Launched in 2016, LAHC introduced Maintenance Pop-Ups to reach out to social housing tenants. Tenants were able to meet the Contractors face to face, report their maintenance issues and either have the matter inspected and repaired immediately, or arrange to have the work carried out within a given timeframe. The sessions occurred in areas where there are concentrations of social housing. There were more than 113 maintenance pop-up sessions completed, with more than 4,800 tenants attending and more than 11,000 work orders raised. The Maintenance Pop-ups introduce the Contractors to the tenants in targeted high density public housing areas, affirm the approach of contacting the Contractor directly for maintenance requests and, was an innovation for the transition into the AMS Contract, but not to be a replacement for the Contractor Contact Centre.

LAHC has produced 11 short instructional and educational presentations for social housing tenants regarding various maintenance topics, with six released in 2019 and a further seven released in early 2021. The videos are available on the DCJ YouTube channel. The aim of these videos to improve tenants' access to information around maintenance services delivered under the AMS Contract, and to better manage tenant expectations.

Question 3

- What measures or steps have been taken to avoid any potential difficulties caused by the separation of DCJ and LAHC?

LAHC Response

LAHC is a Public Trading Enterprise established under the *Housing Act 2001*. It is responsible for the NSW Government's mainstream social housing portfolio, operates under the Minister for Water, Property and Housing and is part of DPIE's Housing and Property Group.

DCJ is responsible for the social housing system policy, including eligibility and access. It delivers tenancy management functions under an SLA for LAHC and the Aboriginal Housing Office (AHO) residential housing portfolios. It operates under the Minister for Families, Communities and Disability Services.

Ministers are each accountable for distinct as well as joint and complementary roles and functions, each aimed at ensuring the NSW social housing system is sustainable, well managed, providing the right assistance, in the right place, at the right time.

LAHC and DCJ work together to achieve a unified administration of the *Housing Act 2001*. Even though LAHC and DCJ now operate under separate Government Departments, both agencies regularly come together to achieve positive outcomes for social housing residents in both tenancy and maintenance functions.

At an operational level, LAHC and DCJ staff regularly communicate and collaborate to provide positive tenant outcomes. In many locations across the State, LAHC and DCJ staff remain co-located in the same office locations to support cross-collaboration, communication and knowledge sharing to drive the desired outcomes for social housing tenants. The Exchange Guidelines and operational policies provide a joined up approach to service delivery and changes or revisions to these processes/procedures are communicated across both LAHC and DCJ via media including webinars and other training sessions. It should be noted that the predecessor of the Exchange Guidelines, 'Working Together Protocols' (2012) were developed with the same intent when the asset and tenancy function were under the same Agency; being to provide clarity of roles, promote consistency of delivery and, to support joined up services.

In March 2021, LAHC and DCJ implemented a revised SLA with improved Key Performance Indicators (KPIs) and reporting on tenancy and maintenance functions. Although LAHC acknowledges that there can always be improvements in communication, the revised SLA reinforces the commitment of both agencies in working together in relation to joint functions across the social housing system.

Theme 2

Performance management framework

Comment from the Committee

The Department's submission noted that the AMS Contract includes a performance management framework requiring contractors to perform against a set of 22 individual KPI groups including timeliness, quality, work, health and safety and governance.

Question 4

- What does the Governance KPI group consist of?

LAHC Response

The AMS Contract includes a performance management framework which contains a KPI regime that requires the Head Contractors to achieve a minimum overall weighted performance score of 85% per month and per quarter. The KPIs fall into the following five categories:

- Timeliness of Service
- Planned Works Delivery
- Quality Management
- Work Health and Safety
- Contact Centre and Governance.

Failure to achieve the minimum 85% score against these KPIs attracts an abatement by way of a reduction in the Contractor's service fee (similar to a project management fee) which is representative of the reduction of the level of service provided to LAHC over the corresponding period. Since commencement of the Contract, LAHC has imposed and recovered over \$4.37m in abatements from Contractors due to performance below the Contractual minimum.

The current Contact Centre and Governance KPI consists of five performance measures which are:

- Contractor Contact Centre average speed to answer of three minutes or less
- Number of post-completion tenant satisfaction surveys performed (target is 40 per Contract area or 1% of total work instructions – whichever is higher)
- The average score for the total number of tenant surveys performed for the month (target of 75% or better)
- All required scopes of work, quotations, reports, documents, data and declarations received from Contractor by due date
- Program of Contractor quality and financial management system audits scheduled for the month completed.

All AMS Contractors have been achieving scores well above the Contractual minimum in these KPIs since commencement of the Contract.

As part of LAHC's commitment to continual improvement, LAHC undertook a review as part of the preparation for the AMS Contract extension, which commences on 1 July, 2021. The review incorporated feedback from staff, results of detailed Contractor reviews, and analysis of outcomes achieved under the Contract. The result was an adjustment of the performance management framework and KPI regime, which was supported by detailed modelling to ensure sufficient incentives were maintained to drive the desired outcomes for LAHC. The adjusted KPI regime is intended to focus on outcomes for LAHC rather than Contractor activity outputs and is separated into 5 categories being:

- Timeliness of Service
- Planned Works Delivery
- Quality Management
- Contact Centre and Governance
- Value Management.

Note the removal of the Work, Health & Safety KPI category (which is a legislative requirement which Contractors must adhere to, but can be monitored outside the KPI regime) and the addition of a Value Management category to drive improved outcomes in value for money to LAHC and is supported by an enhanced audit regime.

The minimum performance score remains at 85% and failure to achieve the minimum 85% score against these KPIs still attracts an abatement in the Contractor's service fee. LAHC has negotiated a higher percentage value at risk of the Contractor's service fee for KPI's implemented from 1 July 2021, meaning that Contractors exposure has been increased should they fail to meet KPIs.

The new Contact Centre and Governance KPIs consist of five performance measures which are:

- Contractor Contact Centre average speed to answer of three minutes or less
- The average score for the total number of independent tenant surveys performed for the month.
- All required scopes of work and quotations received from Contractor by due date
- Proportion of legislative orders (eg NCAT, EPA) resolved within required timeframe
- Percentage of the Principal's strategic and procedural notices resolved within the required timeframe.

It is intended that the changes to the Contact Centre and Governance KPI measures will drive the following improved outcomes for LAHC:

- drive further increases in tenant satisfaction through a more objective measurement of tenant satisfaction
- improve timely delivery of legislative orders
- improve contractor performance in the timely resolution of strategic and procedural matters.

Question 5

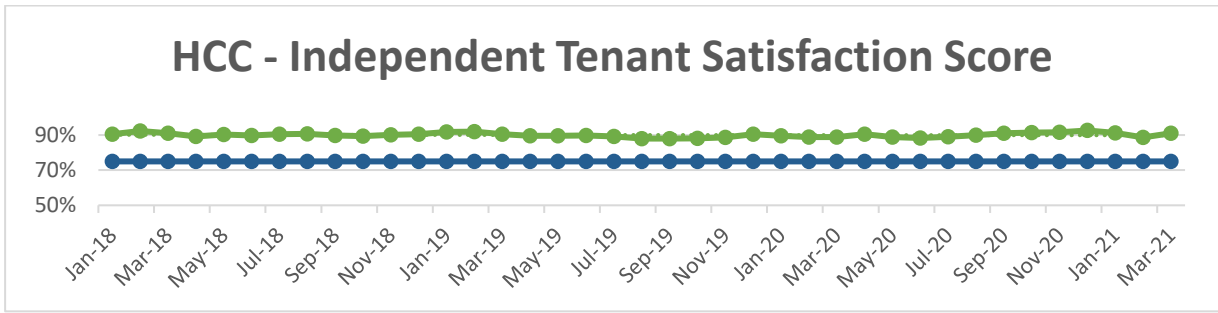
- Why is tenant's satisfaction independently measured by the DCJ's Housing Contact Centre rather than being part of the KPIs in the AMS Contract? If it is factored into the AMS Contract, how much weighting does it have in terms of the contractor's overall performance?

LAHC Response

Tenants' satisfaction with their maintenance experience is a key outcome sought by LAHC and is measured and monitored in a number of ways. Most overtly, a specific KPPI measures tenant satisfaction. AMS Contractors are required to undertake tenant satisfaction surveys at a minimum of 1% of all work orders completed in the month or 40 surveys (whichever is the greater). The percentage of satisfied tenants is then measured as a KPI and is linked to the abatement regime for underperformance. The tenant satisfaction score KPI measure forms part of the Contact Centre and Governance KPI group which has a 20% weighting in both the current and new KPIs (for the Contract extension). As verification of the Contractors' tenant satisfaction scores, the Housing Contact Centre (HCC) also conducts tenant satisfaction surveys at a rate of 1,000 per week.

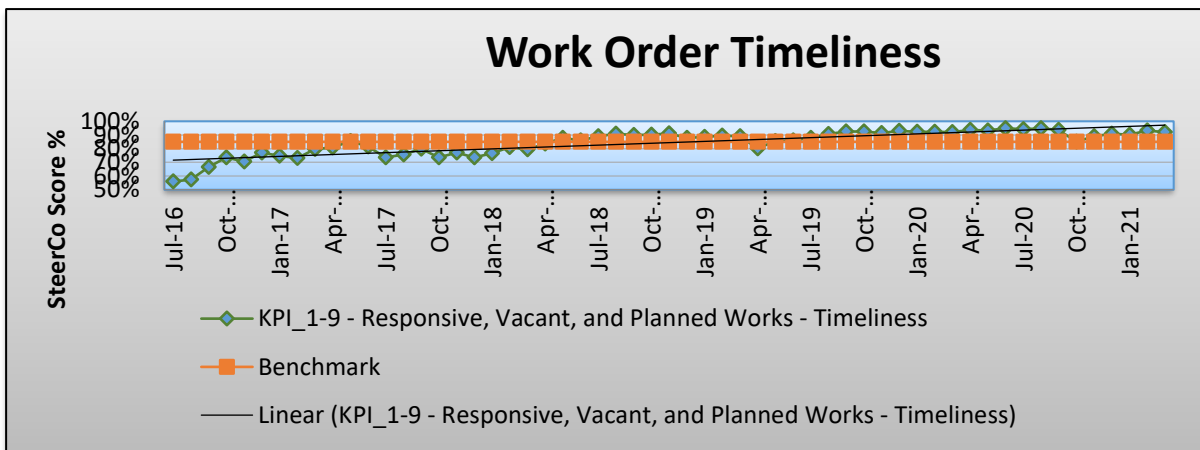
On average, Contractors have been achieving an overall tenant satisfaction score (based on their own surveys) of 90% since August 2019 against a minimum requirement of 75%. Independent tenant satisfaction scores based on the HCC surveys are within 5% of the Contractor scores.

Graph 1 Independent Tenant Satisfaction Survey Scores



LAHC can also gauge tenant satisfaction by the timeliness and quality of works, as well as the number of complaints received. Timeliness has trended consistently upwards and the number of identified quality issues has trended consistently downwards since commencement of the AMS Contract the consequence of which is improved tenant satisfaction with their maintenance experience which is supported by the decreasing trend in the number of complaints received by LAHC from tenants even though there are 11 pathways for complaints.

Graph 2 Work Order Timeliness Score



Graph 3 Number of Failed Compliance Inspections

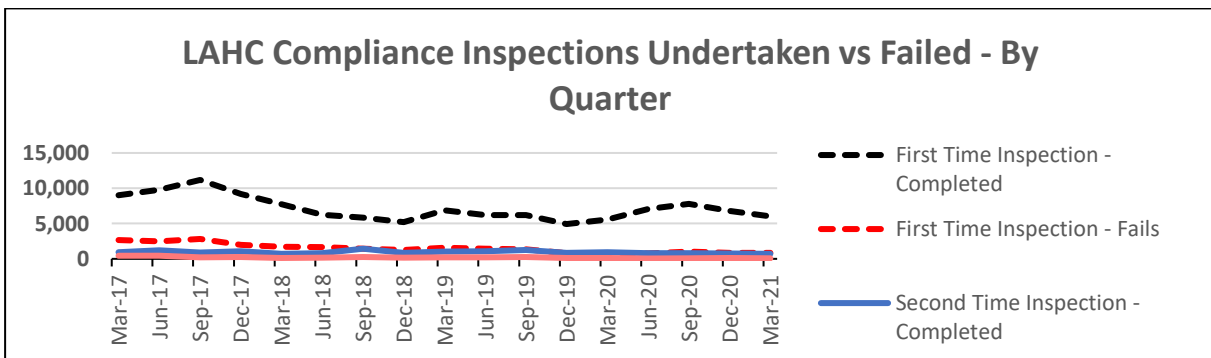
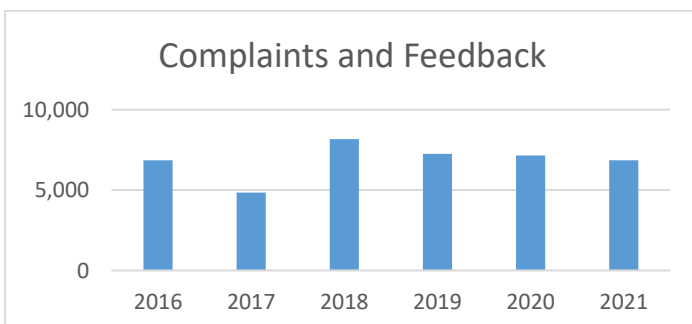


Table 1 – Number of Complaints 2016-2021



As noted above, tenant satisfaction was included in the original AMS Contract KPIs in the measurement of Contractors' own surveys results. One of the adjustments made to the AMS Contract for its extension beyond July 2021 was to adjust this KPI to measure the independent tenant satisfaction scores generated from the HCC surveys rather than the Contractors' surveys. Measuring tenant satisfaction against the independent survey results provides a more objective measure of this KPI and it is expected that the scores for this KPI will continue to be high.

Comment from the Committee

The Department's submission noted that the AMS Contract includes a regime called the "Gain Share/Pain Share", which provides incentives for Contractors to achieve efficiencies in the delivery of responsive maintenance. As part of the LAHC procurement process, there is a Responsive Benchmark which is a notional annual cost for delivering responsive maintenance based on historical volumes and costs.

Question 6

- Given that the average age of LAHC homes is 40 years or more, usually requiring higher levels of maintenance, is this reflected in the responsive benchmark?

LAHC Response

The responsive benchmark was a tendered cost and volume for the annual delivery of responsive works proposed by tenderers as part of their submission for the AMS Contract tender. As part of the request for tender, LAHC provide all tenderers with a package of information to assist them in understanding LAHC's portfolio and the nature of historical works. This data included Property Survey Configuration (PSC) data for each property and four years' work order history.

The PSC data included the construction year for each building giving the tenderers the age of the building. The work order history data provided the tenderers with information on previous repairs delivered to each building. This information was provided for information only, did not form part of the Contract, and tenderers were to rely on their own interpretations of the data when preparing and submitting their tenders including their proposed responsive benchmarks.

The request for tender documents also required tenderers to make their own enquiries, interpretations, deductions and conclusions when preparing their tender submissions. Contractors, in making their own enquiries, were able to access such documents as the Auditor General's Report 2013 – "Making the Best Use of Public Housing" which discussed LAHC's ageing portfolio and that "approximately 25% of (the public housing portfolio) is over 40 years old"¹

¹ New South Wales Auditor-General's Report Performance Report - Making the best use of public housing 2013 - pp 17 & 24

Question 7

- Is the Responsive Benchmark flexible in the amount it allocates based on the age of the LAHC homes?

LAHC Response

The responsive benchmark is a holistic cost for the delivery of responsive works across an entire contract area rather than being a cost per property. LAHC provided AMS Contractors with property age data during the tender stage that they were able to assess to determine if property age should be considered in their tendered responsive benchmarks.

The Contract allows for some flexibility in the benchmarks in that, if the volume of work (ie required responsive works as requested by tenants) is greater than 10% more or less than the tendered volume, then the benchmark volumes and values are adjusted for the following year to account for

the increase- or decrease in demand for responsive maintenance in that part of LAHC's portfolio. Contractors bear the risk of any variations to volume less than 10%.

To ensure that the benchmark is only adjusted as a result of tenant need rather than Contractor inefficiency, no adjustment is made if responsive costs have increased but the volume has not increased. In this manner, the pain share/gain share mechanism sought to incentivise Contractors to drive efficiencies in the cost of responsive repairs.

Question 8

- The Department notes that the Pain/Gain mechanism is intended to drive down the cost of responsive maintenance by encouraging contractors to create efficiencies in the delivery of works. How is this mechanism reconciled with tenant's complaints of short term fixes and repairs that do not solve the underlying problem?

LAHC Response

The responsive benchmarks are tendered values based on the overall cost of responsive works as it relates to the volume of work requests from tenants. Contractors are reimbursed for the actual cost of the works (ie the actual amount paid by the Contractor to the subcontractors) and paid a tendered project management fee (responsive service fee) for responsive works. There is no additional payment made to the Contractor for the actual works completed by the subcontractor.

It is the aim of the AMS Contract to drive first time fixes ie to repair a responsive failure on the first visit to the tenant's home. The ability of the Contractor to accurately assign the work to an appropriate subcontractor and provide accurate instructions about the work required is dependent on the tenant providing correct information during their call to the Contractor's Contact Centre. The Contractor is responsible for designing and asking the necessary questions integral with their triaging "decision trees" to guide the tenant through the call to provide the appropriate information. The Contractor is required to retain the audio of calls received at the Contractor Contact Centre, which LAHC can access to review tenant complaints and effectiveness of operator engagement.

Based on the information provided by the tenant to the Contract Centre, the Contractor will send the appropriate subcontractor to site to repair the issue described by the tenant during the phone call and the subcontractor will complete whatever work it determines is required to rectify the issue while on site. Since the subcontractor is paid for whatever works it completes on site, the pain share mechanism is designed to drive the Contractor to control subcontractor scopes of work and associated costs ie to ensure that subcontractors do not perform more work than is actually required. If the cost of responsive repairs is driven up by subcontractor costs rather than an increase in tenant requests, the Contractor is required to reimburse LAHC a pain share amount as they have not controlled scopes and consequent costs of work.

LAHC controls potential underservicing through the tenant satisfaction KPI (since underservicing would result in tenant dissatisfaction) and by LAHC's Compliance inspections which identify whether all works have been completed and are also supported by quality KPIs. In addition, as Contractors receive no benefit from recall work orders but must still expend resources to manage recalls, they are incentivised to reduce recalls by ensuring works are completed on the first visit thus reducing their administrative costs.

If a responsive repair is completed and the tenant calls the Contractor's Contact Centre to advise that the problem persists, one of two pathways can be pursued:

1. If the persistent issue is the result of faulty work, a recall work order is raised for the subcontractor to return to site to rectify the works at no cost to LAHC. All works performed by the Contractor or their subcontractors is warranted under the Contractor for a period of 12 months; or

2. If the persistent issue is not due to faulty workmanship, a subcontractor attends site to further investigate the cause of the issue and proceed to either rectify while on site or advise if a larger, programmed repair is required. For example, if a tenant reports a water leak in their bathroom, a subcontractor may attend and determine that a shower needs the silicone seal replaced to address the leak as this is a common cause of shower leaks. No further work would be required at that time. If, however, the tenant reports that the leak has only partially stopped, further investigation may be required to determine the cause of the ongoing leak which may result in planned works to address a subterranean waterproofing issue.

Recall work orders are not included in the volume of works considered as part of the responsive benchmark and, therefore, Contractors do not receive any benefit from recall work orders as they do not increase benchmark volumes and, by extension, do not drive up adjusted benchmarks and therefore do not increase the Contractor’s ability to achieve a gain share.

The pain share/gain share mechanism is intended to drive Contractors to ensure the right amount of work is completed the first time a subcontractor attends site.

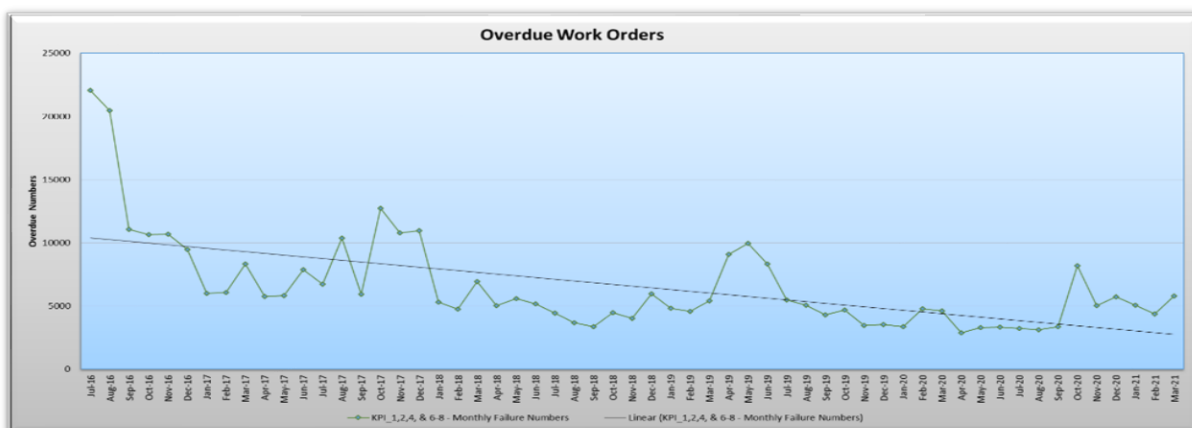
Question 9

- Could the Department provide data on the amount of overdue orders for each of the past five years? Are there consequences for the contractors in having overdue orders?

LAHC Response

The graph below provides the trend in the number of overdue work orders for the past five years. Overdue work orders are measured in nine specific timeliness KPIs separated into individual work programs to enable focus on each key area of delivery risk and with a minimum performance score for each of these KPIs of 85%.

The data provided indicates that overdue works are trending down which is in line with the commercial principles of the Contract which provide incentive through the abatement regime for Contractors to continually improve the delivery of maintenance services. If Contractors fail to achieve the minimum overall performance score of 85% in a given quarter (with each monthly score being aggregated to create a quarterly score), an abatement of up to 2% of the Contractors’ service



fee may be applied as a representation of the diminished level of service provided in that quarter.

Graph 4 Number of Overdue Work Orders

An escalation process is also defined in the Contract and may be utilised if there is an ongoing trend of Contractor non-conformance. LAHC has dedicated contract management officers who are assigned to individual Contractors and raise non-conformance and issue resolution notices if ongoing poor performance is identified. LAHC holds regular performance management meetings with Contractors in these cases to monitor improvement plans provided by Contractors in response to non-conformance notices and to bring their performance into alignment with the Contract

requirements. The escalation pathway enables serious issues including underperformance to be escalated to LAHC's Contract Executives and to expert determination or Contract termination if required.

To date, a total of \$4.37m has been applied and recovered in abatements from AMS Contractors. It is clear from this data that the abatement regime is driving continued improvement in service delivery from the Contractors.

Theme 3

Tenants with disabilities

Comment from the Committee

In the Committee's 2016 inquiry, the Committee recommended that the Department monitor and report on the success of the new system, particularly in addressing the maintenance difficulties of people with disabilities. In addition, the Committee recommended a review of the funding formula for maintenance and modifications of home stock, with a view to funding modifications separately and thereby improving service delivery to people with disabilities.

Question 10

- How have these recommendations been implemented? Have there been challenges? If so, what are those challenges and how has the Department dealt with those challenges?

LAHC Response

Currently, DCJ tenants, including those with disabilities, have access to maintenance reporting via MyHousing Online Services. Urgent repairs may be requested via the Contractor Contact Centre on 1800 422 322. The response times for repairs vary as set out under the AMS Contract.

The DCJ Disability Modification Policy explains how DCJ and LAHC manage disability modifications requested by a tenant or an approved housing applicant, and was revised to reflect LAHC's asset-related obligations and align with the National Disability Insurance Scheme (NDIS), after the NDIS was rolled out in NSW.

The NDIS is customer focused and eligible NDIS participants receive funding directly (NDIS Support Package) for 'reasonable and necessary' services which they require and be responsible for engaging service providers to meet their needs. An NDIS Support Package may include funding for home modifications. Only people under 65 years of age are eligible for NDIS support. Those over 65 with a NDIS support plan started prior to age 65 may choose to continue receiving NDIS assistance or choose assistance from a Commonwealth funded Aged Care service.

The NDIS 'Applied Principles' prescribed LAHC's Disability Discrimination Act obligations to fund and provide 'reasonable adjustments' ('minor' modifications/asset solutions) to a participant's dwelling, with 'major' modifications relating to complex asset-related works considered (and funded) by the NDIS as 'reasonable and necessary' dwelling adjustment for that participant.

In response to these obligation 'boundaries' LAHC developed a Home Modification Guidelines (HMG) to assist LAHC and DCJ staff and external health professionals implement home modification requests. The HMG is a tool available to LAHC staff to assess requests for modifications in a consistent and user-friendly manner. An Occupational Therapist summary and criticality (explained in the HMG) of the modifications required is an essential requirement when tenants request disability modifications.

Challenges for LAHC include the introduction of NDIS participants requesting very complex home modifications, the mismatch of properties to meet tenant disability needs, (including a lack of Specialist Disability Accommodation), and difficulties in achieving successful relocations due to a lack of available LAHC housing stock.

The NDIS, together with the NSW Department of Premier and Cabinet, negotiated an in-kind contribution ‘cap’ mechanism for NDIS-related dwelling modifications by LAHC. Funding agreements were protracted and problematic, especially the funding of Occupational Therapist reports for an NDIS participant in a LAHC property, and definitions around property ‘suitability’ generally.

The HMG (as mentioned above) assisted in expediting works, with coding to apportion works by funding stream responsibility.

DCJ requirements for sustaining a tenancy may mean that some disability modifications are refused. However, with NDIS Specialist Disability Accommodation limited at present, LAHC is increasingly bearing costs to undertake modifications for an NDIS participant (sometimes quite complex modifications) while waiting for a more suitable property to become available.

The AMS Contractor undertakes all approved home modification works (minor and major) in their Contract area. LAHC undertakes all major modifications regardless if there is an NDIS support package in place to mitigate any delays and to ensure tenants health and safety.

LAHC has a separate and dedicated disability modification budget allocation each year which is determined by historical data from previous years’ allocations as well as modifications undertaken throughout the portfolio. The budget is reviewed monthly throughout the financial year to determine appropriate allocation and, along with upcoming modification needs (as required in consultation with DCJ), is adjusted accordingly.

If the disability modification budget is exceeded, then there is flexibility to allocate additional funds from other programs within the parameters of the total maintenance budget so that all required modifications are provided to tenants in need.

Table 2 – Disability modifications Budget

Financial Year	Dis Mod Expenditure
2016-17	\$7,962,696.
2017-18	\$13,444,382.
2018-19	\$8,716,538.
2019-20	\$12,257,433.
2020-21 (as at end April 21)	\$6,474,140 + \$4,800,000 stimulus

LAHC’s disability modifications expenditure reflects demand in any given year. In 2016/17 the expenditure was \$7.9m, in 2017/18 - \$13.4m, in 2018/19 - \$8.7m and 2019/20 - \$11.6m. This is an average of \$10.4m that LAHC has invested in disability modifications over the past four years.

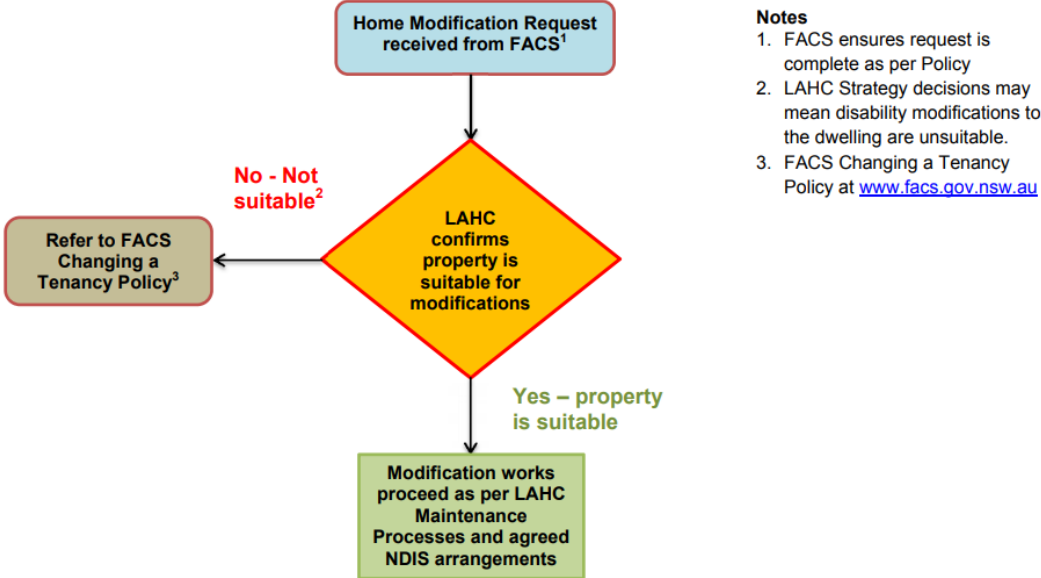
LAHC has a process for determining if a property is suitable for modification. Any request for Modification is reviewed against the following criteria:

- Firstly, DCJ Housing assess the request for modification before referring to LAHC. DCJ may recommend relocation to alternative property if the property the tenant currently lives in not suitable for modification or another property is available that suits the tenant’s needs.
- LAHC assess against the HMG (refer figure 1 below).
- LAHC meet with Occupational Therapist to review requirements, criticality and suitability.
- Requests are assessed against the suitability of the property including site aspect, slope of site, number of external steps and structural constraints.
- Major modifications are approved by the Regional Portfolio Director.

Where a tenant’s current property is deemed unsuitable for modification every effort is made to look for alternative options acknowledging that challenges sometimes exist in relocation of tenants due to proximity to doctors, support services, carers and community.

The objective of both DCJ and LAHC is always to provide a safe and sustainable home environment for the tenant.

Figure 1 Simplified Process Flow Chart for – Major Home Modification Requests (substitute DCJ for FACS)



In November 2020, LAHC’s North West NSW Region and Western Sydney Regions participated in a Priority Housing Applicants (PHA) Trial process whereby all vacant properties were assessed for the potential to be modified and were then matched to clients on the priority waiting list. This process aimed to provide appropriate modifications to dwellings to suit clients rather than attempt inappropriate modifications in the future. DCJ Housing is currently compiling a report on the trial process.

As a flow on from the PHA Trail, DCJ Housing, in the Newcastle Local Government Area, has retained the services of Occupational Therapists (NSW Health) to serve the needs of our clients. While funding for this service is limited at this stage, the results to date have been excellent. LAHC’s North West Region reports a sound working relationship with the Occupational Therapists with modification requests being appropriate to the dwelling. The Occupational Therapists seek a suitable outcome for the clients with recommendations to relocate to more appropriate accommodation preferred over undertaking unsuitable modifications.

To assist in illustrating this process, LAHC submits the following case studies:

Belmont South – Family of four (Father and three daughters) in a three bedroom home. Eldest daughter is physically and intellectually impaired requiring assistance for all functions. Occupational Therapist deemed the property not suitable for further modifications and sought alternative arrangements. A property was found in Maryland that can accommodate the modifications and support the needs of the family into the future. The DCJ Housing Occupational Therapist then provided a report for all modifications required.

Edgeworth – Tenant morbidly obese and requires a more open-plan environment for modified wheelchair mobility. DCJ Housing Occupational Therapist recommended modifications to remove some walls in the property to proceed. This was deemed appropriate due to the current level of modifications in the home, the support services for the client in the local area and the lack of more suitable housing options.

LAHC has produced a series of short instructional and educational videos titled ‘Your House Your Home’, which are available on YouTube. The Disability Modifications video provides viewers with

an overview of the requirements and process for tenants who are seeking modifications. It aims to improve tenant understanding of the process for having modifications made to a property, particularly disability modifications, and to help residents to live safely and independently in their home. The link to this video is

<https://www.youtube.com/watch?v=I8F79BhURB0&list=PLQqAbbKtoeXQeU2VAbMo5sCiHfpLZnIjN&index=10>