

**Submission  
No 17**

## **INQUIRY INTO THE MANAGEMENT OF NSW PUBLIC HOUSING MAINTENANCE CONTRACTS**

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To whom it may concern,

**The Greens NSW Submission to the Inquiry into the Management of NSW  
Public Housing Maintenance Contracts**

The Greens welcome this inquiry into public housing maintenance in New South Wales. As The Greens NSW spokesperson on Housing and Homelessness, I am pleased to make this submission, which has been produced in consultation with our Housing Working Group and elected Greens representatives who have worked to support public housing tenants in their community when faced with maintenance issues and related concerns.

The appropriateness, quality and accessibility of housing is crucial to people's quality of life, particularly for households who experience social and economic disadvantage or vulnerability. There is ample evidence of the ongoing problems with the ongoing maintenance of public housing, the deteriorating state of the available public housing stock, and the impact that the current approach to maintenance has on tenants' wellbeing.

The Greens urge the Committee to acknowledge the significant and ongoing problems with the adequacy of public housing and develop recommendations that will see public housing receive the investment and improvements that are needed to address these issues.

Our submission highlights concerns with the state and process of public housing maintenance that have been identified in previous investigations, along with information about the concerns and issues with public housing maintenance that the electorate offices of Greens Members of Parliament frequently assist constituents with.

We note the announcement in January 2016 that Spotless has been awarded a new five-year contract for the maintenance of public housing. Given that the Government has chosen to enter into this contract without following through on some of the recommendations of previous inquiries referred to below, and given that the contract is now in place in advance of this current inquiry delivering its recommendations, we are concerned that the Government may have missed the opportunity to ensure all possible improvements are made to the public housing system and in particular maintenance contracts and processes. However, we are making this submission to highlight the matters that we consider must be addressed and encourage the Committee to ensure strong recommendations are delivered in the interests of public housing residents' wellbeing and the overall health of the state's housing system.

### **Housing is an important contributor to the wellbeing of people, households and society**

The maintenance of public housing must be considered with regard to the broader importance of housing and the Government's responsibilities to people who need housing assistance. These broader issues are related to understanding how the condition and maintenance of public housing affects residents, and to the demands that are placed on the social and public housing sectors and the extent of maintenance that will be required to ensure public housing stock is in adequate condition to meet tenants' needs.

The Greens NSW believe:<sup>1</sup>

- Access to secure, appropriately designed, constructed and located, and affordable housing is a crucial determinant of health and wellbeing and is an important precondition for social participation and gaining access to other social services,
- Social and affordable housing not only delivers shelter for those in need but is essential in providing the stability that underpins engagement in work, education, recreation and community life and should be considered as critical infrastructure, and
- It is the responsibility of all levels of government to guarantee access to adequate, affordable and appropriate housing to meet current need and projected demand, thus stemming the growing social inequality in Australia.

The Family and Community Services Annual Report 2013-14<sup>2</sup> indicates that around 140,000 households were living in social housing, with approximately 110,000 of those households living in public housing.

As a social housing landlord, Housing NSW is subject to the same obligation to these households as all landlords under the *Residential Tenancies Act 2010* to ensure all public housing premises:

- are in a state of cleanliness and fit for habitation, and

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<sup>1</sup> <http://nsw.greens.org.au/policies/nsw/housing-and-homelessness>

<sup>2</sup> [http://www.facs.nsw.gov.au/\\_data/assets/file/0008/303002/FACS-AR-13\\_14\\_Vol-1-Performance.pdf](http://www.facs.nsw.gov.au/_data/assets/file/0008/303002/FACS-AR-13_14_Vol-1-Performance.pdf)

- are provided and maintained in a reasonable state of repair, having regard to the age, rent payable, and prospective life of the premises.

Furthermore, the NSW Government owes a duty of care to promote the wellbeing of people in this state, including those who require assistance to access appropriate, safe and stable housing. Housing NSW, and the Land and Housing Corporation as the property manager, must deliver not only on their legal obligations to tenants, but also on this duty of care.

The Australian Bureau of Statistics' 2001 publication, *Measuring Wellbeing: Frameworks for Australian Social Statistics*,<sup>3</sup> noted the links between housing and the wellbeing of individuals and society:

*At its most basic, housing satisfies people's fundamental need for shelter from the elements. However, places of residence serve many other functions in satisfying human needs. Dwellings, when they become homes, provide a place where people can withdraw from the world and enjoy privacy, a place to eat, relax and sleep, a safe place to keep possessions, a place to spend time with, entertain and care for family members and friends, and a place to pursue recreational activities. Not having a place to live which satisfies these human needs is a key hallmark of people in crisis whose mental and physical health are also likely to be at risk.*

*... areas in which housing standards are visibly good provide attractive environments for people to live and visit. Areas with poor housing, on the other hand, often reflect a range of social problems such as poverty, ill-health and crime. Such differences can create social tensions and give rise to a demand for community response.*

Before coming to the issues of maintenance and their impact on those tenants who live in public housing, there is much more that the Government must do to ensure the continuum of housing challenges in NSW are addressed and to promote the wellbeing of all residents of NSW. These challenges include the growing problems with housing affordability that have seen Sydney become the second most unaffordable major market for home ownership in the most recent Demographia International Housing Affordability Survey,<sup>4</sup> low rental vacancy rates, rising rents and insecure tenure in the private rental market, the shortage of affordable housing to meet the needs of people on low and moderate incomes, the shortage of social housing and high need for housing assistance that has resulted in approximately 59,000 applicants being on the waiting list for social housing, and the continuing high rates of homelessness.

The NSW Government's establishment of a Social and Affordable Housing Fund<sup>5</sup> and the Government's commitment in their recent document on *Future Directions in*

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<http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/556F0518F5EE1AE9CA2571B9001C5903?opendocument>

<sup>4</sup> <http://www.demographia.com/dhi.pdf>

<sup>5</sup> <http://www.facs.nsw.gov.au/reforms/social-housing/sahf>

*Social Housing*<sup>6</sup> to increase social and affordable housing stock over the next 10 years are actions that will contribute to addressing some of the problems in the system, but remain inadequate to fully address the extent of the housing crisis in NSW.

Additional public investment and reforms to legislation and policy across the taxation, planning and other systems will be essential to ensuring the delivery of more affordable housing in new developments and redevelopments located close to transport connections and opportunities to access employment, education and services, to improve the liveability, affordability, accessibility and sustainability of housing, and to provide social housing and other assistance to people who are unable to access housing in the private market and those at risk of homelessness.

We urge the Government to examine potential reforms to implement and extend inclusionary zoning and value capture, transition from stamp duty to a broader-based land tax, encourage the Commonwealth to address the impacts of negative gearing and capital gains tax concessions on speculative investment in housing, boost public, community and private sector investment in the delivery of social and affordable housing, and improve the availability and comprehensiveness of specialist homelessness services and wrap-around support services for people at risk of homelessness.

***Recommendation 1:*** That the NSW Government acknowledge that the extent of the housing crisis and its impact on the wellbeing of individuals, households and society requires urgent action across all levels of government to deliver solutions across the full continuum of the housing system.

### **Poor maintenance of public housing is harming tenants' wellbeing**

The available evidence makes clear that there are ongoing problems with the condition and maintenance of public housing dwellings across NSW, and that these problems are affecting the wellbeing of tenants.

The Final Report of the Legislative Council Select Committee into Social, Public and Affordable Housing<sup>7</sup> noted that:

*5.83 Some of the concerns raised with the committee highlighted the impact maintenance problems are having on tenants' health, safety and wellbeing, for example:*

- *respiratory problems, caused by mould, mildew and damp ...*
- *being constantly cold because of gaps in flooring*
- *safety concerns because of a lack of security screens on doors and windows, particularly for vulnerable tenants, such as older people or families with young children*
- *'social exclusion and isolation' because communal areas are not maintained and cannot be used*

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<sup>6</sup> <http://www.housing.nsw.gov.au/social-housing>

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[http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/12B4DA4578015782CA257D4D00120FFE?open&refnavid=CO4\\_1](http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/12B4DA4578015782CA257D4D00120FFE?open&refnavid=CO4_1)

- *mental health impacts and severe distress despite trying to ‘put up with’ the problems.*

The Committee commented that:

*5.123 The state of some properties is alarming, and understandably, these issues are having a significant impact on tenants’ health, wellbeing and safety. We are deeply concerned about these issues, particularly given reports of severe health issues resulting from the poor condition of public housing properties. Housing NSW, as a public landlord, and the Land and Housing Corporation as the property manager, must do more to ensure that people are living in a safe and habitable environment. Expecting tenants to have pride in their home, so as to upkeep properties, is clearly at odds with the approach Housing NSW have taken themselves in dealing with these issues.*

The recent Productivity Commission *Report on Government Services 2016 Volume G: Housing and Homelessness*<sup>8</sup> examined social housing performance across a range of indicators, including dwelling condition. Dwellings were assessed as being of acceptable standard if they had at least four working facilities (for washing people, for washing clothes/bedding, for storing/preparing food, and sewerage) and not more than two major structural problems.

For NSW public housing, it was estimated that between 74.6% and 77.2% of dwellings were of an acceptable standard, placing NSW as one of only two states or territories (along with the ACT) with below 80% of dwellings of acceptable standard, and compared to a national estimate of 80%-82% of dwellings being in acceptable condition. For NSW state owned and managed Indigenous housing the situation was considerably worse, with an estimate that between 61.3% and 69.7% of dwellings were of an acceptable standard. In contrast, between 85.8% and 90.0% of NSW community housing was estimated to be of an acceptable standard.

These figures highlight that a significant proportion of NSW public housing in general, and Aboriginal housing in particular, falls well below the standards that should be expected and that in many cases the absence of working facilities or presence of structural problems is likely to undermine the wellbeing of tenants.

A response provided to Budget Estimates questions<sup>9</sup> indicates that LAHC receives more than 500,000 requests per year for maintenance work, which represents an average of more than four requests per year for each of the approximately 110,000 public housing dwellings. However, we note that the Government responses to subsequent questions fail to provide additional detail about maintenance issues, such as average response times and the number of cases in which contractors had to be recalled to address incomplete or defective work. We encourage the Committee to seek additional statistics, given that the responses to Budget

<sup>8</sup> <http://www.pc.gov.au/research/ongoing/report-on-government-services/2016/housing-and-homelessness>

<sup>9</sup>

[http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/77e90dfa62fd3e0bca257eca00809b8e/\\$FILE/ATTQGNV5.pdf/Supplementary%20QoNs.pdf](http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/77e90dfa62fd3e0bca257eca00809b8e/$FILE/ATTQGNV5.pdf/Supplementary%20QoNs.pdf) – question 222

Estimates questions increasingly seem to refer Members to annual reports or websites that do not contain the relevant detail.

Additional evidence about the condition of public housing and the extent of maintenance concerns may be indicated by the number and range of issues dealt with by the NSW Civil and Administrative Tribunal and other complaints-handling bodies.

The NSW Civil and Administrative Tribunal Annual Report 2014-15<sup>10</sup> indicates that the Tribunal received 17,662 applications relating to social housing in 2013-14 and 15,713 applications in 2014-15. However, there is no breakdown of these figures to indicate the number of matters that related to maintenance disputes or to other matters such as rent arrears and termination notices. We encourage the Committee to seek more detailed information from the Tribunal to provide evidence about the extent to which issues about the condition and maintenance of public housing are brought by tenants to the Tribunal.

The NSW Ombudsman's Annual Report 2014-15 indicates that the Ombudsman received 103 complaints relating to the Land and Housing Corporation (LAHC) in 2014-15, 78 of which proceeded to preliminary or informal investigation.<sup>11</sup> It is unclear how many of these complaints relate to condition and maintenance issues and we again encourage the Committee to seek further information to clarify the extent to which maintenance becomes the subject of complaints. However, the Ombudsman's Annual Report refers to several case studies that involve complaints about condition and maintenance issues;<sup>12</sup> in particular, we draw the Committee's attention to Case Studies 26 (Modifications and urgent repairs finally started), 27 (Delay in cleaning up mould) and 28 (Possum damage repaired).

Submissions to previous inquiries and information reported to Greens Members of Parliament from stakeholders highlight that the Government is failing to meet its obligations to public housing tenants and is in many ways not holding itself to the standard that is applied to private landlords. Given the duty of care noted above, this disparity in which the Government ends up being held to a lower standard as a landlord than private landlords and property managers is the exact opposite of what should be expected. In their submission to the Select Committee on Social, Public and Affordable Housing,<sup>13</sup> the Tenants' Union of New South Wales noted that:

*LAHC's own interpretation of its obligation is that it must maintain properties in a 'clean, safe and habitable' condition. LAHC also considers that it may classify work with no urgent implications for the health or safety of occupants as 'non-urgent', and considers any need for a 'non-urgent' repair as a low priority. Repairs that do have implications for the health or safety of occupants*

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<sup>10</sup> [http://www.ncat.nsw.gov.au/Documents/ncat\\_annual\\_report\\_2014\\_2015.pdf](http://www.ncat.nsw.gov.au/Documents/ncat_annual_report_2014_2015.pdf)

<sup>11</sup> [https://www.ombo.nsw.gov.au/annual\\_report/financial-and-appendices/pdf/NSWOmbudsman\\_AR15H\\_Appendices.pdf](https://www.ombo.nsw.gov.au/annual_report/financial-and-appendices/pdf/NSWOmbudsman_AR15H_Appendices.pdf)

<sup>12</sup> [https://www.ombo.nsw.gov.au/annual\\_report/departments,-authorities-and-local-government/pdf/NSWOmbudsman\\_AR15C\\_Departments-and-Authorities.pdf](https://www.ombo.nsw.gov.au/annual_report/departments,-authorities-and-local-government/pdf/NSWOmbudsman_AR15C_Departments-and-Authorities.pdf)

<sup>13</sup> [http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/362bfc5049e655bfca257c92001908d3/\\$FILE/0068%20Tenants%20Union%20of%20New%20South%20Wales.pdf](http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/362bfc5049e655bfca257c92001908d3/$FILE/0068%20Tenants%20Union%20of%20New%20South%20Wales.pdf)

*are regarded as a higher priority, depending on the implication. In any event, repairs are restricted to restoring properties to the 'clean, safe and habitable' standard. The tendency is for LAHC to repair the symptoms, rather than address the underlying cause of a problem.*

*In taking this approach, LAHC operates to a standard that is closer to the absolute standard than anything higher, and often fails to meet even that, placing it in breach of its contractual obligations to tenants. It also means that LAHC does not extend, and may reduce, the prospective life of its properties.*

In addition, several submissions from legal stakeholders to the Select Committee<sup>14</sup> (e.g., Submission 65 – Kingsford Legal Centre; Submission 108 – Redfern Legal Centre) indicated that non-compliance with Tribunal orders for the completion of public housing repairs is a common occurrence, and these submissions provided case examples that demonstrate these issues and their impact on tenants.

The failure to complete repairs and maintain public housing properties in a condition that promotes the wellbeing of tenants is inconsistent with the Government's duty of care, the relevant agencies' statutory obligations and their standing as model litigants. The issues leading to these failures must be addressed and rectified as a matter of urgency.

***Recommendation 2: That the Government acknowledges the importance of housing quality and state of repair to the wellbeing of tenants and ensure Housing NSW and Land and Housing Corporation policies about their obligations as landlord and property manager incorporate supporting and promoting tenants' wellbeing as a key obligation.***

***Recommendation 3: That the Government sets strong, clear targets for improvement in the proportion of public and Aboriginal housing dwellings that are of acceptable standard and directs sufficient investment and action to maintenance and upgrades for all dwellings that are not of acceptable standard.***

***Recommendation 4: That the Government outlines a timeline and a detailed plan to ensure that in future they will fully comply with all of their statutory obligations and standing as a model litigant with respect to maintenance and repairs of public housing.***

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<http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/V3ListSubmissions?open&ParentUNID=68200E56DA33F640CA257C22001661A8>

## **Maintenance funding shortfalls and the absence of strategies for managing the public housing portfolio have undermined the capacity, quality and sustainability of NSW public housing**

The problems with the shortfall in maintenance funding and the unsustainable approach of LAHC in response to the worsening maintenance crisis have been clearly documented by both the Auditor General's 2013 report on *Making the best use of public housing*<sup>15</sup> and the Select Committee on Social, Public and Affordable Housing.

The Auditor-General reported that (p. 18):

*LAHC reports its key challenge as managing a housing portfolio to meet government's policy objectives within current funding arrangements.*

*LAHC advises that the current operating model of maintaining dwelling numbers and property condition standards under current funding is not achievable. In 2012-13, LAHC reported it was about \$330 million short of maintaining the current number of properties at a reasonable standard.*

*LAHC advises that to prevent the shortfall and continue to operate within its means in 2012-13, it is balancing its budget by:*

- *reducing maintenance and upgrading of existing properties and capital programs*
- *selling properties.*

*This approach is not financially sustainable.*

The Auditor-General also reported that LAHC had identified that at 2010-11, between 30-40% of its stock was not at its "well-maintained" standard, and that during 2012-13 around \$85 million of maintenance, upgrading and capital programs had been delayed because of funding constraints.

The Auditor-General noted that LAHC had commenced work on an Asset Portfolio Strategy that was expected to deliver initiatives on "estates renewal, targeted sales, maintenance of properties and new dwellings" and recommended that:

*LAHC should, by December 2013, complete and release an asset portfolio strategy that delivers housing at an appropriate standard and shows how future new supply housing will align with emerging client need. The strategy should include short-term and long-term targets to enable effective monitoring and reporting on progress.*

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<sup>15</sup> <http://www.audit.nsw.gov.au/publications/performance-audit-reports/2013-reports/making-the-best-use-of-public-housing/making-the-best-use-of-public-housing>

The Select Committee noted LAHC evidence updating the financial position to indicate that:

*5.56 ... LAHC, in 2013-14, will be spending \$377 million to maintain and upgrade existing properties in the public housing portfolio, with \$219 million being allocated towards responsive maintenance to 'ensure that properties are clean, safe and habitable' and \$158 million for planned maintenance and upgrading.*

The Committee commented that:

*5.127 A critical issue raised during the inquiry was the need to address the maintenance backlog. We concur with the Auditor-General's findings that the approach taken by the Land and Housing Corporation in selling properties and delaying maintenance expenditure is financially unsustainable. We are troubled by this approach and believe that it will have a negative impact on the supply of social housing stock, as the number of public housing properties will continued to decline and stock will age. We recognise the importance of an asset portfolio strategy, and have recommended that the Land and Housing Corporation finalise this strategy by 1 September 2015.*

**Recommendation 18**

*That the Land and Housing Corporation finalise the asset portfolio strategy, as recommended by the Auditor-General, by 1 September 2015.*

The response provided by the Government to the Select Committee's report in January 2016<sup>16</sup> indicated that this recommendation was "supported-in-principle", however the Asset Portfolio Strategy has still not been released and the Government's response only indicates that it will be released "at an appropriate time".

The most recent figures from LAHC show that maintenance costs continue to rise and operating shortfalls continue to occur. Financial statements in the Family and Community Services Annual Report 2014-15<sup>17</sup> show that repairs and maintenance of LAHC residential properties cost \$222.8 million in 2013-14 and \$271.9 million in 2014-15; the Annual Report's 2015-16 Budget<sup>18</sup> for repairs and maintenance, which is almost entirely going to involve residential properties, is higher again at \$284.9 million. The net expenditure and revenue results for LAHC have seen deficits of \$626.9 million in 2013-14, \$239.0 million in 2014-15 and a forecast deficit of \$294.0 million in 2015-16.

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<sup>16</sup>

[http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/12b4da4578015782ca257d4d00120ffe/\\$FILE/Advice%20from%20Minister%20for%20Social%20Housing%20and%20Minister%20for%20Plannng%20regarding%20recomendations%20of%20committee%20-%2027%20Janaury%202016%20.pdf](http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/12b4da4578015782ca257d4d00120ffe/$FILE/Advice%20from%20Minister%20for%20Social%20Housing%20and%20Minister%20for%20Plannng%20regarding%20recomendations%20of%20committee%20-%2027%20Janaury%202016%20.pdf)

<sup>17</sup> [http://www.facs.nsw.gov.au/\\_data/assets/file/0016/341611/3592\\_FACS\\_AR\\_2014-15\\_Financial-statements\\_web.pdf](http://www.facs.nsw.gov.au/_data/assets/file/0016/341611/3592_FACS_AR_2014-15_Financial-statements_web.pdf)

<sup>18</sup> [http://www.facs.nsw.gov.au/\\_data/assets/file/0004/341608/3592\\_FACS\\_Annual-Report\\_20142015\\_web.pdf](http://www.facs.nsw.gov.au/_data/assets/file/0004/341608/3592_FACS_Annual-Report_20142015_web.pdf)

The Select Committee had recommended (Recommendation 19) that “NSW Treasury publicly identify what funding is required to address the maintenance backlog for public housing properties.” The Government’s January 2016 response has “Noted” this recommendation, with the Government indicating that LAHC investment in maintenance and upgrades was increased to \$500 million in 2014-15 and that this increased allocation is maintained over the forward estimates.

Although the increased allocation of funding for upgrades and maintenance is welcome, the evidence is clear that the current approach to funding and managing the maintenance shortfall in LAHC is unsustainable and harmful to condition of public housing and wellbeing of tenants. The ongoing approach of selling high-value properties, particularly in inner-city areas, is inadequate to address the maintenance requirements and ultimately undermines the ongoing viability of public housing in NSW. However, this approach continues to occur in the absence of a strategy to addressing the problems with public housing stock and managing the asset portfolio.

To honour its obligations to the wellbeing of public housing tenants, the Government must recognise that current stock is insufficient in quantity and inadequate in condition to ensure the wellbeing of public housing tenants, and that LAHC funding is inadequate to overcome these problems. Relying only on improved efficiency in contracting and provision of maintenance services will not address the hundreds of millions of dollars in the maintenance backlog. A significant boost to the investment in new stock and maintaining existing stock is essential.

***Recommendation 5: That the Government finalises and releases its Asset Portfolio Strategy, which was originally due to be completed by the end of 2013, as a matter of urgency.***

***Recommendation 6: That the Government, in recognition of the ongoing maintenance shortfall in the LAHC budget, prioritises the allocation of sufficient funding to clear the backlog and ensure public housing stock is of an appropriate standard to ensure the wellbeing of tenants and prevent further delays in maintenance or sales of social housing properties to pay for maintenance.***

### **Maintenance policies and processes are a common source of tenant frustration, dissatisfaction and complaints**

There is an overwhelming amount of evidence that the current contracting of and approach to maintenance is a major source of difficulty for public housing tenants. Obviously the issues with funding shortfalls and delaying of maintenance work discussed above contribute to this, but the extent of the issues as highlighted by many tenants and legal advice and advocacy groups, elected representatives and by residents themselves highlights that there are many systemic issues with the way maintenance policies and processes operate, which must be improved through Government policies and transparent and accountable conditions in any new maintenance contracting arrangements.

The Select Committee on Social, Public and Affordable Housing received extensive evidence through written submissions, hearing testimony and site visits about issues

with public housing maintenance. We urge the current Committee to review and take into account not only the Final Report of that inquiry but also the many items of evidence received that addressed maintenance issues. The Select Committee commented that:

*5.122 The management of maintenance problems was by and large the main dissatisfaction tenants expressed with public housing. It arose as an issue at nearly every opportunity the committee had to meet with public housing tenants.*

...

*5.124 In terms of managing maintenance, we acknowledge the challenges experienced by the Land and Housing Corporation. However, we strongly believe that the current processes to resolve maintenance issues need extensive improvement. Clearly the results of the customer satisfaction surveys are at odds with the overwhelming concern being expressed in relation to maintenance. Although the Land and Housing Corporation is undertaking a new tender and review process for the contracting of maintenance work, we have concerns about whether this process will actually result in improved responsiveness. In addition, we were alarmed to hear suggestions that Housing NSW is not complying with orders from the Civil and Administrative Tribunal.*

*5.125 Understandably, tenants are frustrated with a system that appears to lack the necessary care, accountability, efficiency and responsiveness. Given these concerns, we recommend that the Department of Family and Community Services immediately commission an independent review of policies and systems related to maintenance of public housing properties.*

**Recommendation 17**

*That the Department of Family and Community Services immediately commission an independent review of policies and systems related to maintenance of public housing properties, with a focus on:*

- *responsiveness to tenants' needs*
- *value for money*
- *use of local contractors*
- *timely service delivery*
- *quality assurance*
- *cyclical and preventative maintenance*
- *ICAC risk assessment*
- *complaints handling systems.*

*We recommend that the findings of this review inform consideration of future maintenance contracts.*

Unfortunately it appears that the Government has not undertaken such a review since that recommendation was made in September 2014. The Government response to the Final Report (provided in January 2016) indicates that the recommendation was "Supported-in-principle" but then states that LAHC is implementing changes to the delivery of maintenance services including a new

contract that LAHC intended to implement by late 2015 (which has now been finalised with the existing contractor, Spotless), and that “the effectiveness of the new arrangements will be assessed in due course and if necessary an independent review will be considered.”

The experience of elected Greens representatives in assisting local constituent issues reinforces how widespread maintenance difficulties for public housing tenants are. The three Greens MP electorate offices – Jenny Leong in Newtown, Tamara Smith in Ballina, and Jamie Parker in Balmain – each report that housing issues are among the most common constituent enquiries in the office (we also note and commend to the Committee the submission made by City of Sydney Councillor Irene Doutney). In addition to requests for assistance from people who are at risk of homelessness and affected by the shortage of available social housing, these issues include many instances of tenants who are having difficulty with the condition and maintenance of their public housing.

Some of the common types of complaints and concerns with process reported by our electorate offices and directly by public housing tenants include the following:

- Inaction on structural problems that can pose a significant risk to health and wellbeing, e.g., “if a property has issues due to the age of the building that are internal structural issues – most severe issues are rising damp, mould, plumbing and sewerage problems – then it’s an absolute fight to get them addressed even though there are severe health impacts from these living conditions, particularly on children.”
- Unclear and frustrating lines of communication to register problems and receive assistance, e.g., “The handyman program is a farce with them suggesting to ring the maintenance line and them [the maintenance line] suggesting the client service officer.”
- Inconsistency between the issue as the tenant reported it to the call centre and the work order that is logged in response, e.g., “the call centre will log that you have a leaky tap when what you’ve reported is that the faucet has fallen off completely and water is leaking everywhere. Or the call centre will log that you have tiles missing in your bathroom when you’ve actually got a hole in the wall and tiles missing due to a water leak inside the cavity behind the shower pipes...”
- Repeated inspections of the reported problem carried out over a period of time without any follow-up work being undertaken, which has sometimes raised concerns that the contracting/payment process is being taken advantage of and has also been associated with handymen/subcontractors being sent to jobs that require more significant works than they can undertake, e.g., “There are properties that have system collapse happening regularly and nobody is addressing the causes – they get patch jobs by handymen when they need significant plumbing works undertaken, or the handymen will confirm they can’t fix it so they go away and there’ll be 3 or 4 ‘inspections’ before somebody finally comes out to actually do some work to fix the problem.”
- Issues being denied as a fault requiring maintenance or constraints on the approach to repairs, e.g., “We have a stove that is rusted through and barely works. The guys come in, turn it to the highest setting, and say it works. But it

either doesn't cook or burns the food. They also bought parts for this model and said this is why they won't replace them, because they need to use those parts or they are a waste of money.”

- Tenants being inconvenienced and disrupted by maintenance works, including by delays (including delays of months for simple maintenance requests), lack of notification or non-attendance, e.g., an email from a constituent reported that she had spent 90 minutes on the phone to Housing Maintenance while her unit was packed up and some of her belongings were outside covered with a tarp in preparation for painters who had not arrived despite confirming the job two weeks in advance. The same constituent had been instructed by the painters to move all furniture away from the walls and had done so despite having a wrist injury, but was subsequently advised on the phone that the contractors were responsible for moving large items.

Overall, the experience of the maintenance system appears to be that it does not acknowledge or value the residents of these properties and it fails to work in the interests of their wellbeing. Based on constituent reports the common perception appears to be that although Housing NSW Client Service Officers endeavour to arrange assistance and are receptive to tenants' issues, they do not have the information or control to deliver the outcomes that are needed. At the same time, LAHC and their maintenance contracting arrangements are unable to address tenants' maintenance needs, whether through lack of resources or a lack of capacity to take into account the impact of housing condition on the tenants' wellbeing.

***Recommendation 7: That the Government ensure that any new maintenance policies, processes and contractual arrangements are carefully designed and receive continual evaluation to ensure that they:***

- ***are responsive to tenants' needs and prioritise issues that affect the health and wellbeing of tenants, and***
- ***maximise value for money and efficiency while ensuring the quality and timeliness of work.***

## **Concluding comments**

At the outset of this submission we made reference to the Government's duty of care and obligations as a social housing landlord. The Government also has a responsibility to fulfil the objects of the *Housing Act 2001* which establishes LAHC to manage and maintain public housing properties. Among those objects are:

- (a) to maximise the opportunities for all people in New South Wales to have access to secure, appropriate and affordable housing,*
- (b) to ensure that housing opportunities and assistance are available to all sections of the community with housing needs,*
- (c) to ensure that public housing is developed as a viable and diversified form of housing choice, and*
- (d) to ensure that public housing and community housing reflects the housing standards of the general community and is designed to cater for the ongoing needs of consumers.*

There is clear evidence, some of which we have presented in this submission drawing on previous reports and constituent experiences, that the past and ongoing handling of public housing maintenance has not fulfilled these obligations. Public housing tenants are in many cases disadvantaged and many are older people, people with disability and people with a range of other issues that affect their housing needs.

We conclude by encouraging the Committee to ensure that the focus of this inquiry is on delivering an approach to maintenance and management of public housing that meets the ongoing needs of these tenants and that ensures the Government can better deliver on ensuring people have access to adequate, affordable and appropriate housing.

Thank you again for the opportunity to provide this submission.

Yours sincerely,



**Jan Barham MLC**

*The Greens NSW Spokesperson on Housing and Homelessness*