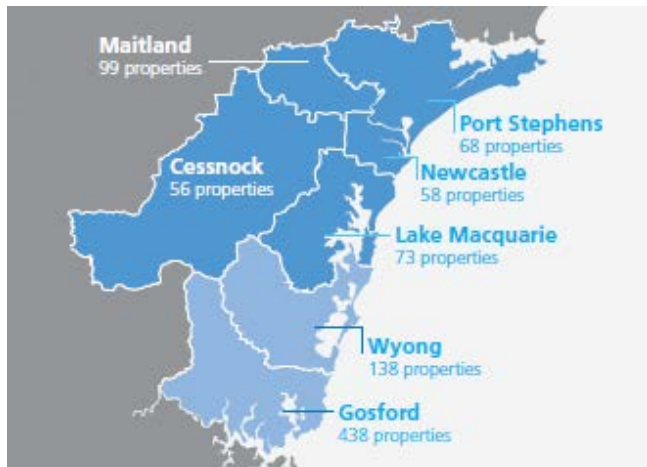


**Submission  
No 8**

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

**Organisation:** Pacific Link Housing  
**Name:** Lori Kontogiannis  
**Date Received:** 5/02/2016

## Overview



Pacific Link Housing (PLH) is a community housing provider based in Gosford and operates in seven LGAs in the Central Coast and Hunter regions. We manage and maintain around 1,000 social and affordable housing dwellings for low to moderate income tenants. We have 25 staff and look after 2000 household members. We are a non-profit organisation and manage social housing tenancies on behalf of Community and Private Market Housing Directorate (CAPMH), a division of Housing NSW. We are regulated by NSW Registrar of Community Housing as a Class One

community housing provider (CHP) and have compliance obligations under the NSW Regulatory Code of the Housing Act 2001 and National Community Housing Standards.

We have three main types of property under management:

- Capital properties - around 570 that are owned by Land and Housing Corporation (LAHC), leased from LAHC by PLH and sub-let by PLH to our tenants.
- Leasehold properties – around 320 that are leased by PLH from private landlords and sub-let by PLH to our tenants. These are part funded by CAPMH.
- Fee for Service properties – around 34 for which PLH provides maintenance-only (not tenancy management) services on a fee for service arrangement with CAPMH.

We work with local government and community service groups to provide a fully integrated range of services for our 2,000 residents, partnering with over 20 local support agencies and referral arrangements with a further 25. Partner agencies provide targeted support, referred and monitored by Pacific Link, across a wide spectrum of support needs – homeless, mental health, disability, youth, aged, indigenous, recovering substance users, people escaping domestic violence, people exiting custody and refugee families.

## Maintenance Competencies

PLH has robust facilities maintenance competencies - both responsive and preventative - provided by our in-house Asset team. Our team comprises qualified building inspectors, asset managers and maintenance co-ordinators. We provide maintenance services as required by FACS-L&HC to maintain dwellings to prescribed condition standards and within required response times. Tenants are regularly surveyed on the quality of maintenance, property condition and responsiveness, with the 2015 poll confirming 95% are satisfied with the condition of their home.

24/7 response processes are in place for any after-hours incidents and response times for maintenance matters are: emergency – 24 hours; urgent – 5 days; non-urgent 28 days. Our IT system records maintenance work orders, ensures the management of appropriate response times and resource allocations. We maintain a panel of around 80 pre-qualified, approved maintenance contractors that are required to perform to standard contracts, WHS regulations and ethical codes of conduct. Contractors' insurance, licences and qualifications are regularly audited. Our Asset team is well versed in disability modifications for dwellings to meet tenants' needs.

## Property Inspections

Our inspections program comprises both regular tenancy management visits, which may be annual or more often, as required, totalling up to 1800 each year. For building condition, we conduct spot checks that monitor contractors' quality of work and every three years, as is required by FACS-L&HC, conduct formal building condition inspections to monitor our property portfolio's status.

## Current Status and condition

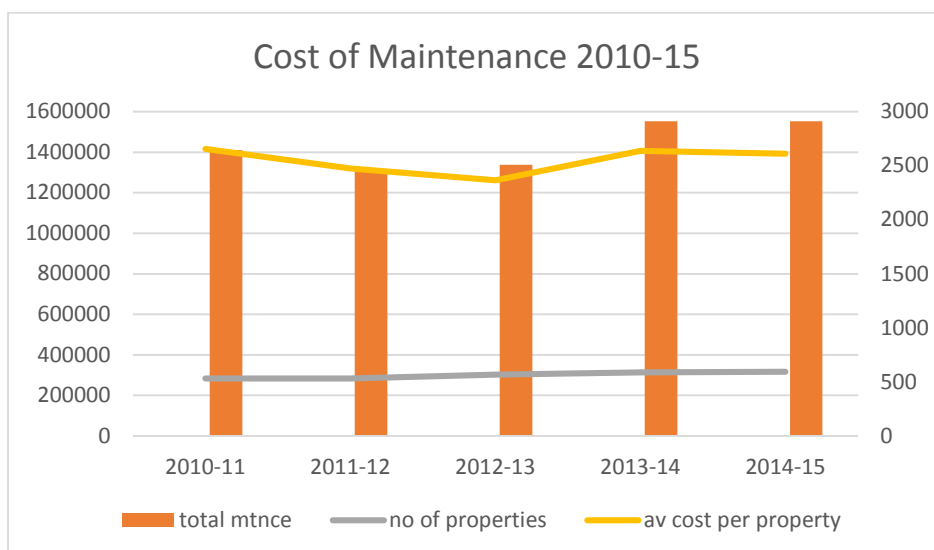
PLH currently manages 595 of HNSW housing stock throughout the 7 LGAs in the Central Coast and Hunter regions. At any one time the repair status can range from minor maintenance due to wear and tear to abandoned properties with extensive cleaning and tenant damage repairs. In some cases insurable claims. As at 31 January 2016, PLH had only 10 properties vacant for repairs and maintenance.

Building condition is assessed every three years, as a regulatory requirement. Formal building condition inspections monitor our property portfolio's status in line with HNSW Asset Standards. Currently 86% of properties meet Housing Standards.

## Maintenance Costs

Between 2010 and 2015, PLH has averaged maintenance costs of \$1.4 million per annum or an average \$2,500 per property. This is a reflection of many contributing factors, namely:

1. Age of stock. Transferred stock is at least 25+ years old and with this comes the increased maintenance liability.
2. Multiple transfers at the same time has increased the pressure on the budget as major asset items have become due for replacement – kitchens, bathrooms, painting, flooring – due to similar life cycle costing.
3. Asbestos risk and the increased associated costs with testing and disposal. The majority of the housing stock that has been transferred was built prior to 1983, and therefore it can be assumed that asbestos containing materials will be present somewhere within the property. To determine where it is located is an expense for PLH to mitigate future maintenance costs. HNSW's position regarding asbestos is to assume it is present if built before 1983.
4. Questionable repairs from previous maintenance contractors.



It is expected that this trend will continue moving forward.

### **Maintenance Contracts**

PLH maintains a panel of around 80 pre-qualified, approved maintenance contractors. Each contractor agrees to enter into an agreement/contract for 5 years to provide services to PLH properties. These contracts outline our expectations with regards to accountability, performance, code of conduct and compliance – licencing and insurance.

The majority of PLH contractors are sole-traders. This has proven to be an efficient arrangement for PLH in responsive maintenance. PLH does not have any formal maintenance contracts with a sole contractor for responsive, vacant upgrades or planned maintenance. However PLH is considering tendering for contractors to undertake vacant upgrades/repairs to increase efficiency in void turnaround.

There are some contractors that are familiar or operate to HNSW Schedule of Rates. PLH only uses those contractors for upgrade or vacant works as any discrepancy between market and schedule of rates can be dissolved within the total cost of the scope of works.

In 2004, PLH accepted 28 properties from the Home Purchasing Authority throughout the Central Coast and Hunter region. PLH manages the tenancy and maintenance of these properties on a fee-for-service basis.

In 2013, PLH entered into a maintenance agreement for Crisis and Transitional Housing on a fee-for service basis. PLH was the sole provider of maintenance to 34 properties on the Central Coast. This agreement has been reviewed since and we are now responsible for the maintenance of 13 properties only. The reduction in property numbers is due to the Going Home Staying Home service packages being established in 2015.

### **Maintenance Standards**

Contractors are monitored regularly to ensure quality of work is maintained. Insurances, licences and qualifications are regularly audited to ensure that compliant contractors only are used.

Our Asset team comprises qualified building inspectors, asset managers and maintenance co-ordinators. Their skills are constantly updated. Innovative ideas are readily adopted to ensure cost and performance efficiencies are gained without compromising quality.

Quality of work is very important to Pacific Link. We are using public money to run our business and we are required under the terms of our funding contracts to maintain our properties in the best possible condition. It is PLH's expectation that ALL works MUST be completed in accordance with:

1. the Building Code of Australia to the extent required under the Environmental Planning and Assessment Act 1979 (including any instrument made under that Act ),
2. all other relevant codes, standards and specifications that the work is required to comply with under any law, and
3. HNSW Asset Standards.

Quality Assurance inspections for all work valued over \$10,000 is conducted by Asset staff, including regular progress inspections. Unannounced workplace health and safety inspections are also conducted.

Contractually, works are to be completed within certain timeframes - 24 hours; urgent – 5 days; non-urgent 28 days. Contractors are constantly reminded and issued with pending work lists to ensure these timeframes are kept.

Being Government funded means keeping to a tight budget. In this competitive environment, we employ tradespeople who offer us a fair and reasonable rate for the work they provide. We are a not-for-profit organisation that works in the community for our local community. We expect quotes for work and work carried out to be done at prices comparable to industry standards for work in the private sector.

### **Tenancy Agreement Responsibilities**

The Residential Tenancy Act defines the responsibilities of the landlord for ‘cleanliness, repairs and damage’.

PLH, as the landlord, is required to ensure:

1. at the start of the tenancy the property is clean, free of pests and in a satisfactory state of repair
2. during the tenancy, all emergency repairs are attended, including structural repairs, and maintain fixtures, fittings and appliances supplied at the start of the tenancy
3. at the end of the tenancy, PLH will not hold the tenant responsible for any normal wear and tear.

The Tenant’s responsibilities are to ensure:

1. the property is kept reasonably clean
2. to notify PLH of any damage as soon as practicable
3. not to intentionally or negligently cause or permit any damage to the property
4. at the end of the tenancy, to leave the property as near as possible in the same condition (except for wear and tear) as noted in the property condition report.

PLH has a 24/7 response process in place for any after-hours incidents.

Tenants may attend to minor maintenance and tenant damage but are not encouraged as there is no guarantee that the appropriate tradesperson has been engaged to complete the work to a satisfactory standard. Therefore it is PLH’s preference that we undertake the work. Minor maintenance is treated as routine however tenant damage will be quoted for payment plans to be initiated, once agreed.

PLH lives by our Customer Charter which sets out our service standards and expectations from tenants and contractors. PLH’s proudest measurement of success is its continuing high rates of tenant satisfaction with regards to maintenance – above 90% for the last three years.

<b>Survey Questions</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
% satisfied PLH handled the repair	92%	92%	92%
% satisfied with quality of repair	95%	94%	95%
% satisfied with customer service of contractor	96%	93%	98%

% satisfied with overall condition of property	-	94%	95%
% satisfied with PLH’s response to tenant damage	98%	100%	98%

### **Measures for Aged and Disabled Tenants**

PLH Asset team is well versed in disability modifications for dwellings to meet tenants’ needs.

In accordance with the Residential Tenancy Act, PLH may not refuse permission for the installation of a fixture by the tenant or a minor alteration.

PLH Policy states we will arrange for any modification to a property for medical or health reasons on the condition that the services of an Occupational Therapist (OT) has been obtained. Generally these are for hand rails, grab rails, steps, ramps, minor/major bathroom modifications.

Any major structural change to the property requires permission from HNSW and a capital contribution may be considered from HNSW.

Current and future developments makes provision for adaptable living to cater for the changing demand for suitable disability housing.

Currently, less than 20% of the housing stock has been modified for disability – grab rails, ramps, full bathroom modifications and 10% are targeted for aged tenants.

### **Community Housing Sector Capacity**

In our last annual report, the PLH Chairman David Bacon, made a comment that summarises our current position and possibly the whole community housing sector. He states:

*“It is increasingly evident that with waiting lists growing, state-owned assets getting older and more expensive to maintain and very limited government investment in new dwellings that a greater involvement of the non-government sector in the future provision of social housing is essential. We are keen to partner with government and to play a part in that challenge.”*

To continue to provide our outstanding service on behalf of our funding body, community housing providers are required to maintain registration. With the dedication of our Boards, management and staff our tenant surveys are testament to our success in delivery of high quality services. It is well understood that the community housing sector’s tenant satisfaction levels are well above that of public housing providers. Our industry’s performance is constantly monitored and has proven that we are more than capable to grow and meet new challenges.