

**Submission
No 3**

**FOLLOW-UP REVIEW OF THE MANAGEMENT OF NSW PUBLIC
HOUSING MAINTENANCE CONTRACTS**

Organisation: NSW Ombudsman

Date Received: 18 December 2020

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Mr Greg Piper MP
Committee Chair
Public Accounts Committee
NSW Parliament
Parliament House
SYDNEY NSW 2000

By email: pac@parliament.nsw.gov.au

Dear Mr Piper

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

Thank you for the opportunity to make a submission to the Public Accounts Committee (the Committee) in relation to its *Follow-up Review of the Management of NSW Public Housing Maintenance Contracts*, announced in October 2020.

There have been large scale changes in the NSW public housing sector over the last decade, many of which were highlighted in the Committee's previous *Inquiry into the Management of NSW Public Housing Maintenance Contracts* tabled in Parliament in October 2016 (the 2016 Inquiry).

Since then, the NSW Ombudsman has continued to receive complaints about maintenance issues in public housing and we regularly meet with the Land and Housing Corporation (LAHC) and NSW Department of Communities and Justice (DCJ) to raise issues that we identify through our work. We also make inquiries on individual complaints received.

Our office welcomes this inquiry and is pleased to provide this submission to assist the Committee in its deliberations. We would be happy to provide any further assistance the Committee may request.

Complaints about delay, poor communication and quality of service

Prior to the introduction of the Asset Maintenance Service (AMS) contract in 2016, the maintenance of public housing properties was performed by LAHC. In 2016, the AMS contract commenced and LAHC began using private contractors to arrange and complete maintenance work on public housing.

Under these arrangements, tenants now report issues to call centres operated by contractors, rather than the previous maintenance line which was staffed by DCJ Housing. The contractor's call centres receive and manage requests for maintenance, including inspections and follow-up on the quality of repairs.

Our annual reports between 2015 and 2019 document recurring themes raised in complaints about the level of service tenants receive under this new arrangement. Our reports describe many instances of tenant dissatisfaction with LAHC's contractors in arranging repairs, delays in completing works as well as arranging repairs that do not fix the underlying problem.

Complaints received over this period frequently included issues such as:

- delays in completing repair work
- concerns about the ability of call centre staff to identify the type of repairs needed and their urgency
- inaccurate information provided to tenants about the repair process.

The increasing role of community housing providers in housing maintenance

The Committee's Terms of Reference do not explicitly identify whether its inquiry is limited to only public housing maintenance, or extends to all forms of social housing in NSW, including Aboriginal housing and community housing providers.

In 2017, DCJ commenced the Social Housing Management Transfer program (SHMT). The SHMT was a process whereby DCJ Housing transferred tenancy management services to various community housing providers throughout the state.

According to the DCJ website, the SHMT has rapidly expanded the community housing sector in NSW; community housing providers now manage 32% of social housing stock.

The initial transfer did not include maintenance functions, with LAHC still responsible for maintenance management. However, we understand this will likely change when the current maintenance contract expires in 2022 and community housing providers are expected to take on responsibility for maintenance and repairs. The readiness and capacity of community housing providers to assume responsibility for the management of maintenance in these tenancies may warrant the Committee's attention - in addition to the current system of management by DCJ.

The separation of LAHC from DCJ

The Committee wrote in its 2016 inquiry report that it had received many submissions about communication barriers related to the operational separation of DCJ Housing and LAHC. At that time DCJ acknowledged that '...there was a period when we were in two separate departments [that] made communication a little more difficult' but that LAHC had been brought back within Family and Community Services (now DCJ), such that they were now part of '...the same single stream of management under the secretary'.

As the Committee would be aware, LAHC has since been separated from DCJ and moved to the Department of Planning, Industry and Environment (DPIE) cluster as part of the 2019 machinery of government changes.

The Committee may wish to consider what mechanisms have been put in place to ensure previously identified communication difficulties do not re-surface.

The separation of LAHC and DCJ, combined with the introduction of more community housing providers and the outsourcing of asset maintenance services, has the potential to cause further confusion among tenants and advocates about the maintenance process, which is already complex, as well as to introduce further inefficiencies and delays in service provision. The Committee may wish to consider what steps are being taken to avoid that potential and other possible ramifications of the separation, as part of this follow-up inquiry.

The continued importance of meeting disability modification needs

The Committee's 2016 inquiry considered the adequacy of measures then in place to meet the special maintenance requirements of aged and disabled tenants, and the capacity of the NSW housing sector to implement those measures. The 2016 inquiry made several findings

and three recommendations specifically relating to tenants with disability (recommendations 7, 8 and 9).

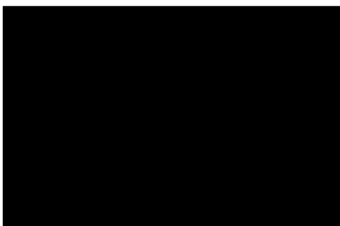
It is not clear from LAHC's progress report to the Committee (October 2017), that the Committee's recommendations in relation to tenants with disability have been meaningfully implemented.

We note that the Committee's current Terms of Reference do not specifically address the special maintenance requirements of aged and disabled tenants. In our view it is important to continue maintaining a focus on this vulnerable cohort of tenants in this follow-up inquiry.

Please note that, following the end of year shut down, this Office will reopen on 11 January 2021. Please do not hesitate to contact [REDACTED] if you would like further information about any issue raised in this letter.

Thank you once again for the opportunity to contribute to the Committee's consideration of these issues.

Yours sincerely

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Paul Miller
Acting NSW Ombudsman