

**Executive Summary:** Maintenance continues to be a significant part of DHS service delivery.

According to the 2012 Victorian Auditor General's report some 10,000 properties are at risk of obsolescence and, with ageing stock, delivery of timely and appropriate maintenance has never been more vital. As announced in the Governments March 2014 Framework for a Strong and Sustainable Future, some \$1.3 Billion is to be spent over 5 years for maintenance and upgrades. It is imperative that this money is well spent and whatever efficiencies, savings or improvements can be made to the system are identified and realised.

The VPTA believes there are many opportunities and practical steps that can be taken to improve the outcomes of maintenance services being provided in public housing. Apart from the quality of the services being delivered, there is an important customer relations role that directly influences customer satisfaction with the work done and the overall customer experience – whether it was positive interaction or not. Getting client engagement right significantly improves the “happiness factor” of those living in public housing and removes a major source of complaint.

As ambassadors for the Department, it is important that the right message gets out from the first contact with the Department via the maintenance call centre right through to the tenant signing off on the work that has been completed by the contractor. Departmental staff and contractors should see this as an opportunity to improve relations. For their part, tenants need to be aware of their rights and obligations to fulfil their end of the transaction and to help achieve a positive outcome for all concerned. Of course, ensuring that the work is completed in a timely manner and meets the requisite technical standard remains the responsibility of the Department.

The system must be properly managed, transparent, must deliver best value and any deficiencies identified and remedied quickly. Tenants and taxpayers alike must get what they pay for.

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## What is Maintenance?

Full details of the Department's Responsive Maintenance Procedures can be found in Chapter 3 of

the Department of Human Service (DHS) Tenancy Manual.

According to the Tenancy Manual – “Responsive maintenance is day-to-day maintenance or repair works that are carried out on tenanted or vacant public housing and community-managed properties in response to requests for such works, to restore an item or component to its working condition.....”

The Director of Housing (the Director) as landlord is responsible for maintaining tenanted properties in good repair. Where repair works result from fair wear and tear, such works are undertaken by the Department of Human Services (the Department), as per the Residential Tenancies Act 1997 (RTA) (s.68).

When a tenant or their representative requests repairs or maintenance works to be completed on their property, the Department assesses the type of work required and the timeframe for completion.

Usually this is determined by the nature of the work required.

The **Residential Tenancies Act 1997 (RTA) (s.3)** defines “urgent repairs”, and states that the landlord must arrange for these works to be completed immediately. The Department arranges for all urgent works to be completed within 24 hours.

The Department is required to complete non-urgent maintenance works and general repairs within 14 days of being given notice of repair.

Tenants can request the Director of Consumer Affairs Victoria (CAV) to conduct an investigation if the landlord has not carried out the repairs within 14 days. If CAV has conducted an investigation, the tenant has received an inspection report from the Director of CAV and the work has not commenced, the tenant has 60 days in which to make an application to Victorian Civil and Administrative Tribunal (VCAT) for the repairs to be completed, as per the RTA (s.74).

## The Focus on Improvement

The VPTA believes many aspects of maintenance service delivery could be improved with some fine tuning and may actually produce savings to the system overall. So what can be done better?

## **Financial Transparency /Accountability**

The total cost of all maintenance should be recorded as a separate expense item in DHS accounts. Budgetary allocation for maintenance should be clearly identified in accounts and separated from overall program delivery budgets. The cost of any staffing component associated with the provision of maintenance services should be shown as a separate line item. The real cost of maintenance needs to be measured against specific allocations.

The VPTA is concerned that monies allocated for maintenance have, in the past been diverted, leading to many instances of essential maintenance not being carried out. This has been a contributing factor in the long term deterioration of the system. Of considerable concern is the often reported statement “there is no money for that” in response to some legitimate maintenance requests.

The system must be well managed with a high level of accountability for the decisions made and how these are communicated.

## **Contractor Evaluation**

There is a level of community concern that the Department pays too much for the maintenance services provided by external contractors, that it does not get what it pays for and that the notion of best value is not being achieved. The VPTA has offered in the past to assist as an independent body in the tender and contractor evaluation process on behalf of public housing tenants. Our offer remains.

The VPTA routinely attends contractor performance review meetings and will continue to provide inputs and suggestions to the Department to improve this process.

## **Contractor Performance**

We are concerned that the lead contractor may sub-contract down to a point where the service contract that was initially envisaged and accepted in the tender process can be seriously undermined and diluted. This gives rise to the inevitable questions about the standard of work being performed, the training, qualifications, experience and suitability of sub-contracted staff, some of whom are working well outside the control of the lead contractor/successful tender. The tradespeople sent to do the maintenance work must be suitably qualified and experienced. Apart from technical competence, we would question whether many sub-contracted maintenance staff are

fully aware of the tenant contact, communication and notification protocols outlined in DHS procedural manuals.

The VPTA gets many complaints about rude or abusive contractors and the failure of contractors to follow prescribed guidelines such as: leaving cards, making appointments, attending on time, respecting the tenants property by cleaning up properly, using protective coverings, etc, all of which can seriously inconvenience tenants and in many cases see the job completion time blow out or the work not done. Maintaining a positive and co-operative interaction between tenants and sub-contractors is paramount if we are to achieve the best outcomes for the maintenance spend.

Where short cuts are taken or interim fixes put in place, this should be explained to the tenant and appropriate follow up conducted within DHS to ensure the work is completed to the requisite standard. The tenant is not the arbiter of this.

## **How is performance measured?**

Performance measures need to be clear, realistic and meaningful in that they highlight not only how well the work is being done and if the standard is being achieved, but also where improvement is warranted. The process of continuous improvement must be ongoing and should be a requirement under the maintenance agreement. The things that are important must be measured. Client satisfaction is an important measure which it would appear could stand some improvement. What is the overall client satisfaction with maintenance services provided? The VPTA has offered to work with the Department to develop client surveys that will provide answers to this important question.

We believe DHS needs to engage more with its clients and stakeholders, particularly with its Field Service Officers who are at the coal face, hear the complaints and suggestions to provide solutions for service deficiencies/problems, which ultimately will help improve their jobs and the living quality for people residing in public housing. Better stakeholder engagement (i.e. talking to customers and asking the staff) will deliver a better, more responsive and efficient system.

## **Technical Performance/Contractor Management**

Once the work has been completed the tenant signs a Works Order (if it is provided by the contractor) to say

that the work has been done. A signature to attest that a contractor attended and provided some sort of 'fix' does not inform the assessment of whether maintenance is being done to a satisfactory standard.

What checks are done to ensure the work has been completed properly and to the requisite standard and that no additional work is needed? Under the current guidelines a Field Services Officer may inspect the work based on a minimum 5% (as advised by DHS) sampling program to certify that the work has been done to the acceptable standard.

The VPTA would like to see the maintenance check results being regularly published and that this reporting should be openly discussed at contractor forums with contracts to be reviewed for those with consistently adverse performance reports.

## **Minimum Standards**

To help tenants better understand the work that is to be performed, we recommend where possible, checklists be provided to the tenants prior to the work commencing. Having a better understanding of the work to be done will help tenants make arrangements to handle any disruption that is likely to occur.

It is understood that DHS applies certain standards for much of the work to be done, including painting. There are standards applied for repainting in difficult areas such as kitchens and bathrooms, which covers wall preparation, mould removal and wall cleaning prior to the actual painting work starting.

The VPTA receives many complaints about painting where the sub-contractor has not followed the prescribed process or has taken shortcuts resulting in walls peeling after a few weeks/months – resulting in more repair work, expense and disruption. Ensuring the work is done properly the first time must be a priority for DHS inspectors.

Mould can be a significant issue in properties that are poorly ventilated and despite their best efforts may be beyond the ability tenants to effectively control or remove. The proper professional services must be engaged in the first instance to deal with this problem and the tenant cannot be held liable for any reoccurrence.

Checklists provided to tenants for specific maintenance works would also allow tenants to report shortcuts or failures to adhere to prescribed processes to the Department in a timely manner, saving additional works and costs at a later date.

## **Maintenance and Replacement Planning**

Is there a maintenance plan in place for larger developments? The VPTA believes every DHS property should have a risk assessed maintenance plan throughout the anticipated life of the premises. Clearly newer buildings should require less work and fewer inspections.

Older stock may need higher levels of maintenance to the point where it is not cost effective to retain the building without a major upgrade or refurbishment.

Many of the existing properties require significant work to bring them up to the requisite standard. Decisions about maintenance and stock replacement must be made in a timelier manner to avoid the present situation where many properties are becoming obsolete and beyond repair, yet are still tenanted to rent-paying tenants (and at the same rate of rent calculations as for those living in more habitable stock). In this situation a detailed stock replacement program is required as a minimum in order to merely maintain the status quo.

Notwithstanding the systemic maintenance issues, the VPTA calls for a significant increase in stock levels to address the excessive waiting list numbers we now have for people who actually qualify for public housing. Successive Governments have failed to maintain the public housing system and to build stock levels to address the real and anticipated need. A lack of planning for the future must be rectified immediately.

## **Regular Inspections Needed**

With regular and routine maintenance inspections and reviews, we believe many of the problems associated with destructive tenants could be readily identified and addressed before the damage/bill gets out of hand. A proper case management strategy for these tenants is imperative and is missing.

Where there is evidence that damage has been deliberate, a proper investigation is warranted and appropriate action should be taken for the tenant(s) in breach.

## **Evidence Based Decision Making**

Where there are constant request for repairs or maintenance to an individual property, this should trigger an alert that the property warrants a closer

review – perhaps it is reaching the end of its useable service life or is the property being subjected to wilful damage by the tenant?

When the nature of the work to be done indicates damage by the tenant, the matter should at least be recorded so that any pattern of abuse can be established for the matter to be properly investigated.

Is all maintenance required essential or is it symptomatic of a broader problem? Would a program of preventative maintenance be warranted rather than address the immediate symptomatic problem? Covering the cracks of the system is not a sustainable or cost effective solution.

The question arises about who currently makes the decision about what work needs to be done to rectify the problem. Often this appears to be left up to the contractor to either repair or replace, or inspect and report. What checks are done to ensure that the system is not open to roting or overcharging and that DHS gets what is paid for? The VPTA is seeking clarification on this.

## **Records Management**

The VPTA believes that a full property maintenance record should be kept for all properties owned by the Department (Director of Housing). This, together with a record of tenancy where damage to the property and its tenant history can be tracked, particularly in the case of at risk tenancies or where the tenant moves from one property to another so that their history goes with them.

The property history database should be updated regularly so that the Department has an accurate record of the state of the properties in its portfolio, thereby addressing the problem identified by the Victorian Auditor General i.e. maintenance liability/property condition.

Prospective tenants should be given access to an accurate maintenance history of the dwelling particularly when it comes to the signing the condition report checklist. This would help ensure that the reported maintenance work has actually been carried out or that the new tenant cannot be held liable for damage caused by the previous tenant that has not been recorded. The prospective tenant should not sign any condition report without a thorough inspection and should not be placed under pressure to do so. Where possible departmental staff should be present at the inspection by the prospective tenant and photographs should be taken to remove any doubt

about the condition of the dwelling and to answer any question the tenant may have about further work to be done to get the property to a reasonable condition. Departmental staff should sign the inspection report along with the tenant to remove any issues about the condition of the property and who is responsible or an independent witness.

If a property is in need of repair or needs attention due to wear and tear it is therefore unsuitable and should not be offered for rental until it has been brought up to the requisite condition. This along with photographic evidence would help protect the incoming tenant from being held responsible for the pre-existing damage.

## **The Tender Process - Equipment & Fittings – Must be fit for purpose**

The VPTA receives many complaints about fit out items, which are inappropriate for the application or totally unsuitable and do not meet clients' needs. Many of these problems should have been picked up at the tender and purchasing stage, had any thought been given to the intended users. Several recent examples highlight the problem:-

1. New carpets being supplied (and still on offer) are hard wearing but are easy to stain and are virtually impossible to clean without special equipment and considerable expense to the tenant.
2. Oyster light fittings and some other fluorescent tubes require tools and expertise to access the faulty globe; the replacement globe being difficult to source, very expensive and nearly impossible for most public housing tenants to change. This a known problem made worse by the fact that these fittings are still being installed in new fit outs or upgrades, particularly in high rise developments.
3. New locks fitted where replacement keys cannot be cut except by select locksmiths and at significant expense.
4. Non-slip bathroom flooring that has an abrasive quality when mopped, meaning steam cleaning or sluicing is the only effective cleaning method.
5. Installation of energy-saving devices via Government sponsored programs (including Departmental programs) such as draught-stoppers, water-saving showerheads and window pelmets which are incorrectly installed or ineffective and then termed (often by contractors) as being the responsibility of tenants.

Lease agreements should highlight clearly those replacement items that are the responsibility of the tenant. Furthermore, where there is a known problem, the Department must take reasonable steps to rectify the problem quickly where the tenant cannot reasonably be expected to do so. Where the problem is widespread and ongoing, tenants should not have to wait many weeks in what can be dangerous situations (as has been the case) without lights in the bathroom, kitchen or other key areas. In these situations, the Departmental response to requests for assistance must be immediate and automatic.

The VPTA has offered to participate in the evaluation stage of any products being considered for broad use in public housing. It is vital that the tenant has a voice in the decision making process and this could also be accomplished by reference to tenant groups or focus groups comprising actual tenants. The cost savings made through proper tenant consultation and genuine engagement would be significant, as would the savings in future repairs and/or replacement work.

Where a product is selected for widespread use, an adequate supply of spare or replacement parts must be available in the long term. This is particularly important when replacing broken tiles or damaged carpet and major electrical appliances. Most tenants take pride in their homes and when things go wrong expect that the repair work is an enhancement. Mismatched tiles, odd carpet, differing door and tap handles, light fittings, etc. can detract from the look, feel and enjoyment of the property. If we want to encourage a high care factor in tenants then we need this to be reciprocated.

## The Cost Factor

The VPTA receives complaints from tenants that they have been advised by their HSO that there is no money for the maintenance that is required to be done or that the work will take a significant amount of time to complete – weeks or months in some cases. We presume that, if this is the case, this edict is from the local area office or Divisional Management. The VPTA questions whether this is in fact a DHS operational directive and what discretion the local office has in this regard. If this is in fact the case, it would seem to be in breach of the Residential Tenancies Act.

We are waiting a definitive response from the Department in relation to whether necessary maintenance works are being put off due to inadequate insurance coverage, budgetary allocations or contractor availability/work backlogs.

## Delegated authorities for maintenance works and goods\*

Department of Human Services staff grade	Schedule of rates (SOR) items (maximum)	Not on schedule (NOS) items (maximum)
HSO, FSO, HCC	\$5,000	\$3,000
TM	\$10,000	\$6,000
HSM	\$20,000	\$12,000
HM and HCC Manager/COMAC Manager	\$50,000	\$30,000
Assistant Director Service Delivery (EO3)	\$100,000	\$100,000

\*Source DHS Maintenance Manual Table 3.1

Properties assessed as being 'beyond repair', and therefore unsuitable for further maintenance or upgrade expenditure, should be identified and every effort made to relocate existing tenant(s) to another suitable property as soon as practicable. The Department cannot breach the provisions of the Residential Tenancies Act by refusing to carry out maintenance on occupied properties, whatever their condition.

Similarly, where occupied properties are identified for future sale (due to location, land value or other factors), any decisions relating to maintenance and repairs/new fittings must be made in keeping with the provisions of the RTA, not the intentions or plans of the Department.

## The Continuous Improvement Challenge

The VPTA acknowledges that maintenance service delivery is difficult given the number of properties in the portfolio and that client expectation/satisfaction with the maintenance response is going to be problematic – some clients will remain dissatisfied no matter how good the service is. We should strive to have a responsive maintenance system constructively focused on "what can be done" rather than "what can't be done".

In order to achieve this, the VPTA believes having the right number of suitably trained and skilled staff on the ground is important to maintain good relations. Better engagement with tenants will help break down some of the barriers. The VPTA has offered to assist with staff and contractor customer relations training to help improve the relationship and conversation between staff, contractors and tenants.

Educating tenants about their rights and responsibilities will help achieve better outcomes for all concerned.

Communication is the key.

## **Happiness factor Post Maintenance Surveys**

The VPTA acknowledges that, given the high number of maintenance call outs per year – well over 300,000 – for the most part this work is done well and within the requisite timeframes. Unfortunately, with such large numbers, even a small percentage failure impacts on the perception of how well services are delivered.

The VPTA supports the idea of surveys to be regularly and routinely conducted to establish customer satisfaction levels in a manner that will identify where improvements are needed. Making decisions based on factual data are essential if improvement is the aim.

If tenants do not understand the process and their part in getting resolution, this is the first problem to be addressed.

## **Tenant Matters**

As previously stated, tenants are asked to sign the Works Order to acknowledge that the work has been completed. The tenant is not being asked if the work was completed to his or her satisfaction or to comment on the quality of the work. Perhaps contractors should offer to leave an anonymous customer satisfaction survey with a prepaid envelope so that tenants can make comments on the contractor or the work done as appropriate. This survey would form part of the overall contractor evaluation and help focus areas for improvement, in addition to identifying what was done well.

Sign off for work done in communal areas is more problematic and needs clarification.

The VPTA hears of tenants who have contacted the call maintenance centre numerous times on the same issue where a job number has been issued but not done or where the contractor claims to have completed the work without the tenant sign-off and the job remains outstanding. There are also situations where the contractor claims to have left a card at the address where the tenant disputes this. In these situations the matter should be escalated and given priority, rather than have the job lapse after a prescribed period (7 days).

Where a client is given a notice that the work is to be undertaken in a certain time frame, every effort must be made to make and attend an appointment with the tenant, rather than have the tenant (particularly the elderly, ill or those in casual employment) waiting home for 14 days, as can and does happen. Improved client focus is needed in these cases and possible call back by the call centre staff to check on the work status.

Sometimes tenants will request additional work when a tradesperson arrives. Although this is not ideal or condoned by DHS, there could be times when it would be cheaper for the work to be agreed to rather than go through a separate and more costly additional call out process. In this situation, the contractor should seek approval via telephone to vary the work where appropriate or to have the discretion to do so where it does not materially change the value of the job overall. It should be pointed out that any additional work that is agreed to be done by the contractor, even if requested by the tenant, is a matter for DHS contractor management, policy and procedures to address.

Calls to the Maintenance Call Centre are not free. The VPTA believes that a free call 1800 number is needed or that a system for maintenance call back is devised and implemented, rather than have the tenant waiting. Tenants must not be charged for waiting on the end of the line.

The option of on-line requesting of non-urgent maintenance works by tenants is a step in the right direction, but many tenants either do not have ready internet access or struggle to complete the form and write a specific description of “what needs repairing”. Direct contact with the Call Maintenance Centre is required for Urgent or Emergency repairs and most tenants prefer direct contact in any case.

The on-line reporting of non-urgent repairs allows a tenant to select one or more suitable times for a Contractor to attend. If an evaluation of this option were to show that allowing tenants to nominate suitable times for Contractors to call resulted in a more timely response and effective maintenance service (presuming contractors call on the nominated days), this provision should be considered for the Call Maintenance Centre’s response to repair requests, rather than the standard “within the next 14 days”.

## **Managing Tenant Expectation**

Some tenants rarely contact the Department for assistance even when they have legitimate reason to

do so. Others will call more frequently and expect their issue be treated with absolute priority. The system must be fair to everyone. For the maintenance system to work effectively it must be responsive to tenants needs, tenants need to understand their rights and obligations and respect the rights of others. Service delivery should be based on priorities - fairly assessed, rather than the squeaky wheel principle. Although this is a difficult ask, the priority and importance given to particular maintenance requests can be a source of complaint and upset that needs to be addressed albeit very diplomatically.

### **Further thoughts to achieve better Maintenance outcomes**

- **Empowering Tenants – On-site tenant reps/ Tenant Advocates**

There is evidence (particularly on larger estates) that having a Tenant Group or on-site Tenant Advocate/local representative can help improve communication between tenants and the Department in maintenance related matters. Tenant Advocates can help explain the maintenance procedures to tenants and can negotiate with the Department on behalf of tenants to ensure the appropriateness of the maintenance response. This is particularly important when assisting tenants without English or who have difficulty negotiating their way through the system. The tenant's problem can be better explained and afforded the appropriate priority in the circumstances. Tenant Advocates can help make alternative arrangements for the tenant to minimise the impact of the problem and to ensure the job is given the right priority. The education role played by Tenant Advocates cannot be underestimated, along with the contribution they make to the smooth running of the system. Many perform this role as volunteers on a 24/7 basis, saving the Department a considerable amount in staff resources.

The VPTA believes there is a strong case to consider remunerating effective Tenant Advocates to encourage and recognise the constructive work they do and we believe this is an important topic in any conversation about genuine tenant participation and engagement. The role Tenant Advocates play in site supervision, problem resolutions and the reporting of certain matters to DHS and Police is significant, as is the improvement they bring to the lives of people on their estates. They must be supported, encouraged and rewarded for what their contribution achieves.

- **Place based solutions - Local call out suppliers/providers**

As a part of an expanded and paid role it would be worth considering engaging local Tenant Advocates to manage local maintenance call outs and responses. This would perhaps be more relevant in rural estates where local contractors are engaged. The Tenant Advocate could, as delegates on behalf of the Department, make contact with the appropriate contract staff – particularly in emergency or priority situations - to have the work undertaken. This would be a streamlined process which may effect repairs sooner than the existing maintenance call centre response process.

Of course this process would need to be properly managed.

It may have application where there is a known problem such as replacement of failed oyster lighting in a kitchen, bathroom or toilet or in an emergency situation such as burst water pipe, failed emergency/security lighting in a lift or stairwell or faulty smoke detectors. A listing of prescribed situations (risk based) and contractors authorised to respond may need to be developed for this to work efficiently.

- **Regular Maintenance Forums – Tenant Participation/Engagement – Contractor Evaluation**

As maintenance is a significant cause for tenant complaint it would be beneficial for Tenant Groups or Advocates to attend local meetings to review contractor performance and for detailed surveys of maintenance satisfaction results to be conducted annually. The VPTA has offered to be part of a formal contractor review and evaluation process as well as participating in the evaluation of the contractor tendering process.