



AUDITOR GENERAL *for Western Australia*

SUMMARY OF THE PERFORMANCE EXAMINATION

A ROOF OVER OUR HEADS: Maintenance of Public Housing

Report No 8 – October 2003

Background

The Western Australian Government, through Homeswest, provides and manages 35 025 public housing properties valued at \$3.3b across the State. In doing so, the Government aims to provide people on low to moderate incomes with access to affordable and secure housing. The cost of maintaining public housing, excluding the cost of refurbishments and improvements, was \$33.2m in 2002-03.

What the examination found...

Homeswest is satisfactorily managing the maintenance of public housing properties in a challenging environment. Nevertheless there is scope for Homeswest to improve the way it administers maintenance processes.

Maintenance Planning and Budgeting

- ❑ Homeswest's maintenance budget averaged \$948 per property in 2002-03.
- ❑ Eleven per cent of properties consume 50 per cent of maintenance expenditure.
- ❑ Eighty-two per cent of expenditure is unplanned.
- ❑ Maintenance budget allocations based on budget models have limited relationship with actual expenditure.

Maintenance Management

- ❑ Sixty-seven per cent of Day-to-Day Maintenance Job Orders examined were completed within target response times, 17 per cent were not, and achievement of targets for 16 per cent could not be determined.
- ❑ The clock for monitoring maintenance response times starts with the issue of a Job Order, rather than the tenant's request for maintenance.
- ❑ Practices for authorising and checking maintenance work should be more consistently applied.
- ❑ Accountability for contracting out Programmed Maintenance should be strengthened.

Tenant Liability

- ❑ Tenants are charged the estimated, rather than the actual, cost of repairs if maintenance work has not been completed before Homeswest advises the tenant of the charge. Testing indicated that this results in the tenant being charged less than the cost of repairs in one-third of cases.
- ❑ The Homeswest Appeals Mechanism (HAM) lacks transparency and due process and is not consistently applied.

What the examination recommended...

Homeswest should:

- ❑ Review the utility of the budget models for planning Day-to-Day and Vacated Maintenance.
- ❑ Better integrate annual property inspections into maintenance planning.
- ❑ Expand current property condition descriptions into objective, measurable property condition standards for public housing and use these to:
 - monitor and report the condition of public housing across the sector;
 - plan and prioritise maintenance, including short and long term maintenance needs;
 - identify current and future maintenance liability; and
 - communicate property condition expectations to tenants.
- ❑ More rigorously monitor Job Order responses, so that:
 - all tenant requests for maintenance are logged;
 - the elapsed time between the tenant request and the issue of a Job Order is known; and
 - the percentage of tenant requests that do not result in Job Orders is known.
- ❑ Monitor and improve compliance with Maintenance Circular 2/2002 prohibiting the conduct of maintenance works in the absence of a Job Order, and enforce the recording of maintenance completion dates on Job Orders.
- ❑ Authorise all Job Order variations prior to payment.
- ❑ More rigorously manage Zone Contractor performance.
- ❑ Develop and communicate to Accommodation Managers and tenants an objective definition of fair wear and tear.
- ❑ Reconcile estimated Tenant Liability charges with actual costs and recoup or reimburse the difference.
- ❑ Improve the consistent application, transparency, and due process of the Homeswest Appeals Mechanism.

A copy of the report can be accessed at www.audit.wa.gov.au/
For further information contact by email: info@audit.wa.gov.au