

## Repairs and Maintenance Campaign Follow-up Report



### Background

In 2017, the NSW Registrar of Community Housing (the Registrar) identified in its Annual Statement of Performance report a dip in performance in Tier 1 and Tier 2 Community Housing Providers (CHP's) repairs and maintenance reporting. As a result, the Registrar conducted the Repairs and Maintenance (R&M) campaign in 2018. The scope of the campaign was largely preventative and targeted improved understanding to inform any potential/emerging weaknesses. The campaign included advising providers of the identified dip in performance; engaging the sector to form guidance on the Registrar's expectations; a deeper analysis of all Tier 1 and 2 provider performance; engaging providers in risk identification and treatment and reviewing individual provider treatment plans.

The National Regulatory Code (the Code) imposes outcomes on CHPs to manage community housing assets in a manner that ensures suitable properties are available now and in the future<sup>1</sup>. A significant increase in the NSW community housing property portfolio is expected due to government initiatives underway. Hence, it is important for the sector and the Registrar to understand the basis for any decline and adjust performance to remedy any identified performance issues before the impacts of this expansion are felt.

### What is this follow up report about?

The 2018/19 compliance assessment round was used to determine whether CHPs successfully addressed recommendations around R&M made at the previous compliance round and assessed any improving trends. This report assesses the effectiveness of the recommendations in improving CHP performance in R&M.

### Subsequent findings

#### **Registrar's previous recommendations were sufficiently addressed with some notable improvements in CHP's behaviour**

Overall, Tier 1 and Tier 2 CHPs who received recommendations and improvement suggestions during the 2017/18 compliance assessment have sufficiently satisfied the Registrar's requirements and therefore complied with the Code. The Campaign was a positive influence on the Sector as the following good practices were adopted by CHPs:

- Upgraded and invested in efficient IT systems and software capability to support provider's portfolio management including repairs and maintenance monitoring and reporting (i.e. track actions, completion dates and outcomes)
- Quality assurance programs & audit reviews (i.e. desk, phone and site visits) to collect information & feedback on R&M work done by contractors.
- Reviewed and re-aligned job responsibilities of maintenance staff to KPIs with focus on repairs and maintenance performance.
- Employed more customer service officers, created a new dedicated client services team and increased staff training.
- Conducted staff training to increase familiarity with IT systems used for tracking, monitoring and accurate reporting of R&M performance.
- Removed nonperforming maintenance contractors.
- Regular contractor meetings, and performance based monitoring and reporting.
- Increased property inspections where both R&M contractors and provider's staff are present.
- Increased follow up visits by provider's quality assessment team after a maintenance inspection.
- Extended survey of all maintenance work being conducted.

<sup>1</sup> Community Housing CHPs (Adoption of National Law) Act 2012, Schedule 1 NRC Section 15(2)(a)

## CHP's R&M performance base has improved

CHPs performance at an aggregate level has shown that tenant satisfaction for repair services and property conditions were maintained, with improved performance in urgent repairs (2%) and non-urgent repairs (1%) metrics compared to the previous year.

R&M metric @ aggregate level	Threshold	17/18	18/19
Tenants satisfaction on R&M services average	75%	79%	79%
Tenants satisfaction on property condition average	75%	85%	85%
Urgent repairs completed on time	90%	94%	96%
Non urgent repairs completed on time	80%	92%	93%

Throughout the 2018/19 compliance round, the Registrar has worked with CHPs to ascertain their management strategies to improve their figures. As a result, 11 of the 14 CHPs that had previously not met thresholds, improved performance to above thresholds in 18/19. The three remaining have strategic improvements planned and lodged with the Registrar for monitoring.

### Methodology used

The Registrar assesses the compliance performance of the larger (Tier 1 and 2) CHPs annually. This assessment process was the main information collection vehicle used by the Registrar to test and gain an understanding of sector performance on repairs and maintenance. Data from 30 CHPs compliance assessments covering a two year period (2017/18 and 2018/19) was aggregated and analysed for historic trends. The Registrar then used the assessments for each CHP to obtain qualitative insights on their behaviour relevant to R&M performance.

### Implications and considerations

While the 2018/19 compliance program did not identify systemic issues with respect to repairs and maintenance performance by CHP's. The Registrar is aware that performance in this area may be negatively impacted as a result of transfers to those providers selected under the Social Housing Management Transfer program. In response, the Registrar has initiated a campaign to monitor performance specific to those providers, with particular focus on the potential decline in areas such as responsiveness, satisfaction rates, and viability where properties do not meet anticipated standards, or costs associated with repairs on transferred properties which exceed budgeted allowances. Initial indications from the campaign are that a decline in repair and maintenance performance of several large providers due to imposed constraints on their systems is likely in the next reporting year and will continue through the following year. This decline is likely to be of a size that is visible in National reporting data.

The Registrar is also working with other Registrars to consider broader improvements on recording CHP's asset level data that could assist in reporting and separating assets/programs where the providers have no set repairs responsibilities.

## FURTHER INFORMATION

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