

Repairs and Maintenance (R&M) Satisfaction



Background and purpose of R&M campaign

The NSW Registrar of Community Housing (the Registrar) noted during the 2016/17 compliance assessment round for Tier 1 and 2 community housing providers (CHPs), that there was a reported decline in tenant satisfaction with repairs and maintenance for the previous three years. This decline was advised in the Registrar's Annual Statement of Performance 2017¹. While these trends were not alarming, the Registrar subsequently conducted a targeted campaign that focussed on repair and maintenance satisfaction.

The scope of the 2017/18 repair and maintenance satisfaction 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 (NRC) imposes outcomes on CHPs to manage community housing assets in a manner that ensures suitable properties are available at present and in the future². 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.

Methodology used

The Registrar assesses the compliance performance of Tier 1 and 2 CHPs annually. This assessment process was the main vehicle used by the Registrar to test and gain an understanding of sector performance on repairs and maintenance. Data from 31 CHPs compliance assessments covering the three years (2015/16, 2016/17 and 2017/2018) was aggregated and analysed for historic trends. In addition, the Registrar used interviews, documentary evidence collection and sought written feedback from key stakeholders. Where necessary, factors for not meeting repairs and maintenance standards were obtained from specifically identified Tier 1 and 2 CHPs through targeted enquiries.

The Campaign findings

Overall, the assessment of 31 CHPs repair and maintenance performance indicated that the dip in performance appears not to be a defined trend and is assessed to have occurred as a product of some poor/confused reporting, new contracting arrangements, and some reduced performance in a small number of providers. In the few cases where some decline in actual tenant satisfaction had occurred, CHPs appear to have responded well to the Registrar's interest and recommendations for improvements. The Registrar will continue to monitor performance to ensure actions taken are sustained over time.

¹ http://www.rch.nsw.gov.au/__data/assets/pdf_file/0010/537094/ASOP2017-NSW-Registrar-Outcome-2.pdf

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

The campaign captured feedback from tenants and CHPs on reasons for lower satisfaction rates. The most common reasons included timeliness to respond to repairs, communication of appointment times and quality of the service provided. A number of CHPs highlighted other factors outside of their control. These included: age of stock and related appearance of the dwelling including poor design and location; subjective tenant's expectations; tenant demographics; and/or complexities related to the responsibilities for repairs in leasehold properties.

More specific findings include:

- 1) **Inconsistency in reporting leasehold properties:** Leasehold properties are properties owned by private landlords which CHPs have no direct maintenance responsibilities. The view of CHPs varies as to whether to include data on repairs and maintenance for leasehold properties in their compliance data. For leasehold properties CHPs are unable to monitor the quality and timeliness of the repairs and maintenance carried out by others and have no obligation to oversight such performance. Currently, the Registrar collects aggregated data on repairs and maintenance metrics as part of the standard compliance assessment. Some CHPs and Community Housing Industry Association NSW (CHIA) see merit in reporting repairs and maintenance on a more segmented basis (i.e. housing programs, locations, contractual arrangements etc.). Disaggregated repairs data may assist the production of a clearer picture of repair and maintenance performance.

However it is also acknowledged that there may be an increase in the regulatory burden if metrics are collected by the regulator across every housing program, contractual arrangements and geographic location. A potential solution could be to collect information from CHPs at an asset level and metrics could be generated as appropriate from the raw asset data. Further co-design of solutions with providers is required in this area that goes beyond the scope of this report.

- 2) **Variation in response and completion timeline:** A CHP's response timeframe can vary depending on the repairs category, programs, locations and criteria set. It was determined through further inquiries with some CHPs that there were instances that the completion of work orders was not aligned to the actual physical completion time. This was especially so where contractors did not report their work in a timely fashion or where CHPs system functionality may not be advanced to capture real time completion. Instead, CHPs may be using the date and time when the invoice is received. In addition, variation in timeframe occurs where some CHPs measure timeframes for routine repairs from the time the repair is reported whilst for others the measure begins from midnight of that day. There may also be differing methods for calculating the response time e.g. when the contractor rings the tenant and confirms that the urgency has dissipated and no immediate need to attend or the contractor arrives on site and makes safe with the time, but does not complete work or when the contractor fixes the problem.

Since there is significant inconsistency in target timeframes and variation in the methodology applied by CHPs to measure completion times, measures to improve reporting in this area may be warranted nationally.

Positive practices

The Registrar observed a number of innovative, better practice solutions in place that enhance CHPs' communication, reporting and timeliness to respond on repairs and maintenance. These included:

- Use of a multi-trade contractor to survey tenants at the completion of each repair.
- Using a more personalised SMS survey that asks tenants if they were satisfied with the maintenance at their property. This communication platform can be used to track any patterns as well as responding to each instance of dissatisfaction individually.
- Implementing several avenues for tenants to report on repairs and maintenance (i.e. via website, phone, email, sms, hard copy form, on site focal person).
- Improving on contractor appointment times by notifying tenants via auto generated SMS reminders and offering a range of appointments at suitable time slots or definitive time frame when a repair will be completed.
- Contacting tenants upfront regarding any urgent and repair maintenance issues and obtaining more detailed information on the repairs issue to advise the contractor.

- Upgrading the CHP's IT system to improve contractor reporting (i.e. work orders, invoicing and repairs completion time recording).

Areas for improvement

CHPs deeper understanding of tenants' expectations and managing these through effective communication may improve tenant's satisfaction on repairs. For example, improving communication with tenants regarding CHPs contractual obligations/constraints, repairs and maintenance issues and definitive time frame when a repair will be completed. This could improve tenants understanding of what CHPs are able to do within their control and when repairs can be done.

The Registrar made a number of recommendations and observations throughout the compliance assessment phase of the campaign to encourage better practice and encourage continued improvement in CHP performance. The common theme was for CHPs to improve their recognition of dips in performance and improve their processes to review the effectiveness of their strategies for not meeting required threshold on repairs and maintenance. All CHPs responded positively to the recommendations with some CHPs proactively adopting strategic measures to improve tenant satisfaction with repairs and maintenance during their interaction with the Registrar's staff. The Registrar will continue to engage with CHPs and will have more evidence of this behavioural change in the next compliance round.

Arising from the campaign, the NSW Registrar will monitor the social housing management transfer of public housing stock to the sector for insights on whether the transfer programme impacts on tenancy outcomes and repairs and maintenance satisfaction levels; including the condition of properties on transfer.

FURTHER INFORMATION

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