

**DEPARTMENT OF HOUSING — MAINTENANCE AND REPAIRS**

*Motion*

Resumed from 20 May on the following motion moved by Hon Samantha Rowe —

That the Council calls on the government to conduct an independent and transparent inquiry into the Department of Housing with reference to the response time for maintenance and repairs of Homeswest tenants' housing.

**HON SAMANTHA ROWE (East Metropolitan)** [2.11 pm]: I had started my contribution at the last sitting of the house back in May and I was in the middle of going through an explanation of a constituent's inquiry. I just want to recap a little bit on what I had already stated in my last contribution. I was talking about the situation that we currently face here in Western Australia, in terms of the housing crisis that we are seeing at the moment, but also the issue of homelessness and the fact that we urgently need to address these problems in a rather timely fashion.

We are in a situation at the moment that is quite unfortunate. We have a state housing waiting list, which is close to 20 000 people, and some of the waiting times can be many years, and that is even if a person is on the priority waiting list. As I have stated previously, my office is inundated with constituent inquiries in relation to public housing issues. Maintenance is a very common problem that is brought forward to my office. During my last contribution, I was in the middle of an example about an elderly constituent who is in his 80s. His son had come to my office to seek some assistance. There were a number of maintenance issues with this elderly gentleman's Homeswest property. The main concern to his son was the uneven and cracked paving out the front of his house, because he felt that it was quite a risk to his elderly father in terms of tripping. During January of last year the department organised arrangements for a contractor to attend this elderly gentleman's property and re-lay the unsafe paving. For whatever reasons during that time, the contractor was not able to access the property, so the paving remained in a state of disrepair until my office was made aware of the issue again by the constituent's son. Of course, we contacted the department and very shortly after we made contact the department sent the appropriate people out to arrange a number of repairs, and the paving was one of those. Eventually it was seen to.

My concern, and the issue that I have and why I have brought this motion forward to the house, is that the constituent originally reported the paving issue some 12 months before the repairs were actually carried out. The department had made an attempt in January of last year to repair that damage but had access issues for whatever reason. That issue then fell by the wayside until our office made further contact. The Department of Housing maintenance policy manual states that an issue of this nature —

... must be completed within 28 days from the time of the work order being issued to a Contractor.

Clearly, 12 months later is far too long a time frame for repairs to be carried out. Another serious example that I would like to share with the house is of other constituents in my electorate who came to my office because they had their water disconnected. Having disconnected water in a property for a number of days would most likely fall under the area of urgent work orders under this policy manual. In relation to urgent work orders, the policy manual states —

Urgent Work Orders are issued to repair or restore an essential service and must be completed/restored temporarily or permanently within 24 hours of the work order being issued to a Contractor. Some examples of Urgent Work Orders are:

- When there is no hot water
- To repair blocked toilets
- To repair water leaks

In the second half of 2014, my office was contacted by a neighbour of a group of elderly residents in a small complex of Homeswest dwellings. The neighbour was really quite concerned, and that is why she had come to the office, because a number of the elderly residents had been without water in their properties for a period of five days. The residents had told the neighbour that they had reported the matter to the Department of Housing when it first occurred. The neighbour was understandably shocked that the water had not been immediately reconnected, so she also called the department's maintenance line herself. She was not satisfied with the outcome and the response that she received from the department. She felt that they did not understand the urgency of having the water reconnected, and that is what brought her to my office. By this stage six days have gone past with this elderly group of people without water. They are going in between each unit with buckets of water just to do some of the basics within their own home, such as flushing the toilet. This is an elderly group of people. Once we found out this information, my office immediately contacted the department that morning and the department then proceeded to reconnect the water by that afternoon. That is an excellent result; however, I

am not sure why it took six days and why it was not taken seriously the first time round for the tenants themselves. It should not require a member of Parliament to call up on behalf of constituents—which we are more than happy to do. It should have been rectified six days earlier.

I will refer back to the department's policy manual. It states under "Urgent Work Orders" that they must be carried out within 24 hours. Not five days, or six days—but 24 hours. These residents were waiting almost a full week before anyone reconnected their water. Surely there must be some recognition by others here that there are serious issues with maintenance repair times, and the time frame it takes for fairly routine work orders to be carried out, and also really urgent work orders to be carried out. That is why we have brought this motion to the house. That is why I think it is appropriate that we have a transparent and independent inquiry to see whether we can find out why there are such inefficient turnarounds in time frames for maintenance repairs to be carried out.

Unfortunately, our office also received another rather serious constituent complaint in relation to an asbestos fence collapsing in their backyard. I do not know what category of work order this would come under, but I think that given the potential serious health risks it is probably fair to say that months is far too long a time for asbestos to be removed from a property. I am going to make the assumption that it would fall under a priority work order under the department's maintenance policy. For members who are unaware —

Priority Work Orders are issued to repair or avoid exposing a person to the risk of injury, or damage to the property and must be completed within 48 hours of the work order being issued to a Contractor. Some examples of Priority Work Orders are:

- Water temperature fluctuating
- No gas hot plates working
- Roof Leak (tiled roof)
- Cistern overflowing
- Cracked toilet bowl

In October last year, our office was contacted by a constituent from Maddington regarding a shattered asbestos fence at the rear of their Department of Housing property. The fence had been shattered by a tree limb falling during a storm, and the fence was in pieces below the tree. The constituent had already contacted the Department of Housing about clearing the crushed asbestos fence, but, despite communicating the urgency, no action had been taken for a number of weeks. My office learned that the fence divided the constituent's property and East Maddington Primary School oval, where children regularly play at recess and lunchtime. We all know the dangers of exposed asbestos. One would think that a shattered asbestos fence would be a potential health risk for not only the tenant whose property the fence was on, but also those schoolchildren who attend that school. I asked a question in this place on 14 October last year about why the complaint had not been acted upon immediately. I was told that the department was unable to secure the services of a contractor until 30 September. That was seven weeks after the maintenance issue was initially reported. I thought that seven weeks sounded like a really long time to have an asbestos fence cleared. A quick look in the local community newspaper—the *Comment News*—revealed a number of advertisements for asbestos removal contractors. I had my office make an inquiry with one such contractor, and the office was told that the contractor would be available to clear that asbestos fence the following afternoon—not weeks later, but the very next day. I find it hard to understand why the Department of Housing took months to have the dangerous material removed. Why was the matter not given urgent consideration, given the serious health risks associated with exposed asbestos? I think it also highlights why such an inquiry would probably assist the department to see where there are gaps in meeting the needs for maintenance repairs in this state.

**Hon Jim Chown:** Are you sure the fence was asbestos as opposed to fibrocement? It is very unusual to have fences made of asbestos. Asbestos becomes very brittle with age.

**Hon SAMANTHA ROWE:** The information we have is that it was an asbestos fence, which obviously is why they were so concerned. That is the information I have at the moment.

**Hon Jim Chown:** The source of the information was what?

**Hon SAMANTHA ROWE:** Our constituent. The constituent came into our office complaining about the asbestos fence.

**Hon Jim Chown:** So it was an assumption that it was an asbestos fence?

**Hon Stephen Dawson:** Are you going to make a contribution later on?

**Hon Jim Chown:** No, I am just asking a question.

**Hon Amber-Jade Sanderson:** Well, if you've got kids playing in the back garden, you want it looked at to make sure it's not asbestos.

**Hon Jim Chown:** It is very hard to tell the difference between asbestos and fibrocement.

**Hon SAMANTHA ROWE:** That is all very well —

**The PRESIDENT:** Order. Let us have an orderly debate, not a cross-chamber discussion.

**Hon SAMANTHA ROWE:** The information we were given is that it was an asbestos fence, so that is all I can go on at this stage.

We are not the only avenue that people use to have these sorts of issues resolved; a number of community-based, not-for-profit organisations exist within East Metropolitan Region that assist clients with financial counselling and financial difficulties. Clients come into those organisations seeking assistance with utility bills et cetera. A client on a disability support pension went into a local not-for-profit organisation for assistance with his gas bill. He was behind with payments and was being threatened with disconnection by Alinta. It did not take long for the caseworker to work out that there had been a significant increase in his consumption of gas over that single billing period, and the caseworker was later told by the client that there had been a hot water leak in the house that had been reported to the department some months ago. It took the department a number of months to fix, and as a result this client had an enormous water bill that he could not afford to pay. The client was offered a refund after the community organisation took up the issue on his behalf, but the refund did not cover the entire amount so this client was still out of pocket. If the maintenance repairs had been undertaken in a timely fashion and manner, the department would not be refunding the bill and the client would not be unnecessarily out of pocket.

I have another example from the same community not-for-profit organisation in the electorate. The front door of another client on the disability support pension had been damaged in a home burglary. The department was contacted and a contractor sent to the property to fix the door. The tenant claimed that the door had not been fixed properly and she felt it still posed a security risk for her. The organisation then sent out a case manager to examine the door to see what the damage was and where the faults might be. The organisation assisted the client to contact the department again to arrange for further repairs because the door had not been properly fixed. That client was charged for those additional repairs. It is very difficult for people on very low or fixed incomes or the disability pension to wear these extra costs that they have not planned for in their family budgets. The costs should not occur because the department should not allow the repairs to be necessary in the first place.

I have a number of stories from my office and different community organisations within my electorate about people having numerous problems in dealing with maintenance issues at their properties. It is very commonly reported. I suspect that for every concern about maintenance delays there are probably a number that go unreported. The minister provided information to me in answer to a question without notice that 42 710 requests for reactive maintenance had been received from residents in the south-eastern metropolitan region. That is a huge number of people waiting for maintenance repairs on their properties. Of that figure, the breakdown was 8 648 in the emergency category; 10 089 in the priority category; 21 113 in the routine category; and 2 492 in the after-hours category. This is a large volume of work and, given the problems experienced by tenants on such a regular basis, the government should be very concerned about the efficiency and the effectiveness of the maintenance service as it currently stands. I have given only a snapshot of the number of requests for repairs in the south east metropolitan zone. However, the problems are not experienced only in the metropolitan area; they also occur in regional areas across the state. I will allow regional members to make comments about issues in their own areas, although I want to touch briefly on Albany. I was told that, due to budget issues, seniors in Albany were not able to have really basic maintenance repairs carried out. That is extremely concerning if it is the case. If it is still the case, I would like to know. An independent inquiry into the problems being experienced will go some way to addressing these issues for many public housing tenants.

I will now move to the contracting out of services. I will provide some history and context to what this government has decided to do in outsourcing the management of the department's maintenance contracts. In October 2010, the then shadow Minister for Housing, Hon Mark McGowan, questioned the then Minister for Housing, Bill Marmion, about the number of outstanding maintenance requests. It was revealed that almost 20 000 maintenance jobs were outstanding. Mr McGowan called for immediate action, stated that the Barnett government's new arrangements were nothing short of disastrous, and called on the Minister for Housing to immediately resolve the matters. In 2011, the then member for Belmont, Eric Ripper, called the Barnett government's decision to privatise maintenance of Homeswest properties a debacle. I refer to an article in the *Southern Gazette* of 7 April 2011, titled "Ripper: Privatising Homeswest maintenance a 'debacle'" which states —

BELMONT MLA Eric Ripper has called the Barnett Government's decision to privatise maintenance of Homeswest properties a "debacle".

Last week the *Southern Gazette* published a story about a Kewdale woman who waited four months for repairs to a stove in her Homeswest house.

Since then the paper has heard numerous accounts from other Homeswest tenants who also had to wait excessive periods for repairs.

Mr Ripper said the long wait times were an example of a much wider problem.

"The Barnett Government's decision to privatise the management of maintenance for Homewest properties has forced thousands of tenants across Western Australia to wait, sometimes months, for maintenance and repairs to their homes," he said.

"The whole experiment has been a debacle and the Barnett Government must urgently address the lengthy repair backlog.

"If contractors continue to fail to meet performance criteria and the backlog continues to increase, their contracts should be reviewed when they are completed."

This article was published back in 2011. We are now in 2015 and it seems that not much has changed.

I will turn now to Tenancy WA, which has received a number of concerns from tenants across Western Australia about different issues. Tenancy WA is the specialist service supporting tenant advocates in local communities across Western Australia. It also undertakes law reform and community legal education work. It deals with a range of concerns from tenants. I will refer to some of the issues that Tenancy WA has to deal with. They are not dissimilar to those that we receive in our office, and other organisations also assist its clients. A number of tenants come to Tenancy WA with issues around plumbing, water, mould, security, pest control and ceiling issues. By way of background, Tenancy WA's primary concerns with these issues fall into two categories—the physical health and wellbeing of Department of Housing tenants, and the departmental practice of terminating tenancies due to issues such as unpaid water bill debts that have arisen from a failure to maintain and have repairs carried out in a timely manner. Tenancy WA is concerned that there are serious health implications for tenants who are variously living in pest-infected, mould-affected, unclean from previous tenants, and insecure properties, which also may or may not comply with disability standards. Tenants in these situations are being subjected to excessive wait times for the department to effect necessary repairs and maintenance, if they received any assistance from the department at all. Tenancy WA believes that this creates seriously dangerous living situations for these tenants, and that this can be especially concerning when considering the vulnerabilities of many Department of Housing tenants.

Tenancy WA is also highly concerned about the department's failure to address issues of leaks in utilities, as I have explained through examples of constituents who come into my office, because they can lead to high bills for the tenants, putting some of the state's already most vulnerable population at risk of eviction and, therefore, homelessness. Tenancy WA finds it astounding that these bills are allowed to reach levels of up to a reported \$4 000 to \$5 000 without the department taking steps to repair the leaks. Simple measures could prevent these issues. In most cases, tenants have reported the damage, but there should be a simple flag, when the department passes on a water bill for thousands of dollars, for the department to assess the plumbing at that property. In many cases these tenants are not in a position to pay a \$4 000 to \$5 000 water bill. We are talking about people on low and fixed incomes, and some who are on disability pensions, who also have to deal with the rising costs of living. Simple mistakes that could easily be fixed put them way behind in their budget, and can have devastating impacts for them on how they manage their household. There is clearly a need for a review or inquiry into what is currently happening at the Department of Housing in the way of maintenance systems and processes. I have received complaints from individuals who have experienced extensive delays, and I am sure our office is not alone in receiving some of these complaints. They vary from serious maintenance issues to maintenance works that threaten their health and safety. Community housing groups have communicated to me that maintenance delays and issues are being reported to them in increasingly large volumes. There are issues with payments being made to the contractors and tradespeople who undertake maintenance works, and this is not something that is new to government, given the conduct of the previous principal contractor, which was Transfield Services.

In order to understand and remedy many of these issues that are being experienced by the tenants and the contractors, the government needs to take seriously the idea of conducting an independent review of and inquiry into the Department of Housing, particularly the maintenance department. Let us find out why these delays are occurring and let us work out what the solution is going to be. People living in public housing, Homeswest properties, should not be treated in such a manner. They deserve to be able to live on their properties with dignity and they deserve to be able to feel secure in their own homes, and not be unnecessarily left out of pocket

to the tune of thousands and thousands of dollars for reasons that are ultimately not their fault or their responsibility. It is time to look at addressing this issue. The waiting period for maintenance repairs is huge and has been since as long ago as 2010–11. What are we waiting for? Let us undertake an inquiry and a review, let us find out where the problems are, and let us fix them.

**HON STEPHEN DAWSON (Mining and Pastoral)** [2.42 pm]: It will surprise no-one to hear that I, too, support Hon Samantha Rowe's motion —

That the Council calls on the government to conduct an independent and transparent inquiry into the Department of Housing with reference to the response time for maintenance and repairs of Homeswest tenants' housing.

I, like many other members of Parliament who have busy electorate offices, deal with a huge number of constituents seeking assistance with housing-related issues or matters, including seeking letters of support to provide to the Department of Housing so that they can go on the housing waiting list. For some constituents, particularly those in Port Hedland, I write letters seeking assistance to access the priority housing waiting list. These are often families who are fleeing domestic violence and abusive relationships and people who have been living with extended family in two-bedroom houses or, worse, one-bedroom houses. Sometimes they are people who have significant health issues and who need to come to Hedland for ongoing and long-term medical treatment. I also have plenty of contact from constituents who live in social housing and who have either waited for an extended period of time for maintenance to happen or who, when eventually provided with a house, have realised that there is still a substantial amount of work to be done simply to make the property safe and clean before they can move in.

In one case last year, a young mother came to my office. She was very distressed; because of her particular family circumstances, she was on the priority housing waiting list and had been there, I think, for a couple of years. She was eventually lucky enough to get a property and to move in. It was only after she had moved in that she realised things were amiss. The cooker did not work and it was going to take a few days for it to be fixed. The Department of Housing's maintenance work policy tells us that faulty stoves fall under the priority category and provides that work should be completed within a maximum of 48 hours. In this case, it was a new house that this woman had just got the keys for from the department. She had young kids, and she was moved into a house that did not have a cooker that was working. She was told, "Oh well, we'll log it and we'll be back within the next two days to fix it". In this case I gave the mum some money so that she could buy some fast food; I do not normally encourage my constituents to eat fast food, but at that stage there was not a great deal of variety in Hedland. There were no cooking facilities in the house, and the house was not particularly clean, so I would not have encouraged her to prepare salads on the countertops, so I was happy to provide that assistance and in this case I encouraged her to take her kids to McDonald's for their dinner.

When the woman came to my office, she told me—this was before I had seen the house—that there were maggots inside the house and around the outside of the house; there was a kind of trail from the front door around to the side of the house, and there were a number of other issues that needed to be rectified. Because of this lady's distress, I dropped what I was doing at the time and went around to have a look at the house. I have to say that I was appalled at the state of the place. Things like the garden being unkempt are one thing, but there were a couple of steel poles with very sharp points sticking out of the ground, which were an obvious hazard for this woman's children. There were also bits of broken glass in places on the lawn and, in fact, later on we found a syringe in the garden as well.

These things happen, but what concerned me most was that the department had given the woman the keys to this place, and it did not seem to be possible that anyone had checked the house before the woman moved in. In fact, as I went around, one of the other things I saw was that there was a window in the kitchen missing a big glass pane, and no-one seemed to have recognised that or realised. There were also security grilles missing from the windows. People tell me that this happens quite often, but I certainly did not think that it was a safe place for this woman and her young kids to live. The other complicating factor was that there were houses nearby, next door and across the road, that were known to have troubled residents and people hanging out; there were often fights and altercations, so I did not feel comfortable about this woman having been put into this place.

This was during the time of a previous Minister for Housing; I came back and rang the minister's office and, within a period of time, the departmental regional manager called me back and agreed to meet me at the house that afternoon so that we could have a look and I could show her what I have described. I have to say, to the regional manager's credit, that she brought another officer with her and they made a list of the outstanding issues that needed to be fixed, and while I was there a contractor was called, who then came around and some of the work was started, and I am very grateful for that. However, I have to say that the condition that that house was in when it was provided to this tenant was appalling, bearing in mind that this woman was fleeing problems

elsewhere. The place she had been living before was not safe, so this was supposed to be a haven and it very much was not. However, I am grateful that the problems were fixed.

This is not a one-off issue. I hear very often from a range of constituents about outstanding issues. When I was in Kalgoorlie a couple of weeks ago—or Kalgoorlie–Boulder as Hon Dave Grills likes to refer to it—I heard a horror story about, in this case, a Government Regional Officers’ Housing house. The tenants had been reporting spots on the ceiling for a number of months but no action was taken. Eventually, after they had reported these concerns every couple of weeks, the department sent somebody around to paint the ceiling, but when the painter got there, he could not paint the roof because it was mould and the mould had spread. Eventually, the roof had to be replaced because the problem was not acted upon when it was first reported.

Some constituents in Port Hedland who needed tiles in their house replaced have also waited months. Another constituent needed a rear gate replaced to stop people walking through the garden to access somewhere else in the suburb. In this case, the constituent was a mother of young kids. At all hours of the day and night, strangers, who were sometimes drunk and disorderly, would walk through her property past her kids. Her kids were not out late at night, but these trespassers came through her property at all hours of the day and night, but certainly during the day and evening when her kids were outside. She was afraid for the safety of her kids. In other cases, trees needed cutting down because the roots were causing problems with the pipework in the house. Other people had to wait for the installation of linen cupboards after they moved in. They were given a great house but there were no cupboards to store their stuff. Other constituents in Hedland who had an ant infestation reported the problem for a long period but little action was taken. Our office eventually got involved and action was taken. I am pleased to say that in the case of the ant infestation at the property, the department decided to relocate the tenant because it recognised that the house was so bad.

We know that the Department of Housing has documents about its properties, including a handbook for tenants living in normal social housing and a handbook for Government Regional Officers’ Housing tenants. The department tells us in both those handbooks and on its website that it endeavours to respond to maintenance issues as soon as possible. The department prioritises maintenance work that poses a health and safety risk to tenants or when there is a risk to damage to the property, and that is fair enough. Maintenance falls into four categories with different maximum waiting times for each delivery. The maximum time for the completion of emergency work is eight hours. Examples of maintenance covered by the emergency category include no power, faulty smoke alarms, the smell of gas and things that could cause immediate concern and potentially affect people’s health. The second category is urgent work, which has a maximum completion time of 24 hours. Examples include no hot water, blocked toilets and burst water pipes. The third category is priority work, which has a maximum completion time of 48 hours. I spoke previously about that category, which captures faulty stoves, locks and glazing work, leaking taps and faulty security lights. The final category is routine work, which is supposed to have a maximum completion time of 28 days. Examples of that include rehangng doors, replacing washing lines and reattaching flyscreens to windows and/or doors. I know that the department prioritises maintenance work that poses a health and safety risk, but these times are certainly not always met. Many of my constituents in Hedland contacted the department numerous times before coming to my office. Politicians’ offices seem to be a last resort. Only when people are at their wit’s end do they come to talk to politicians in their offices to seek assistance.

A great deal of issues do not get dealt with in the appropriate time, and it is not just the Department of Housing; lots of government departments deal with vulnerable people. Maybe it is because the workers deal with these problems many times a day, day in and day out, and some of them lose empathy and become hardened. They brush off an issue that I might be appalled by or concerned about as a run-of-the-mill thing that happens quite often. I know it is not Department of Housing staff who undertake the work to fix these problems in the houses; it is contractors. I know that I cause the staff in the Hedland office, whom my office has a great relationship with, some grief sometimes by pushing to get issues fixed, but that is my duty as a member of Parliament. I am pleased that progress has been made on these concerns and that many, if not all, of them have been fixed. The staff are extremely frustrated by contractors. I have seen it myself. I have heard of contractors saying that they will go to communities to do work and then give excuses about why the work was not done, and often they are excuses that I certainly do not believe.

There are also issues in places such as Tom Price, Wickham and Karratha. Some people have been waiting for fences for months. One person in a GROH property in Wickham had an air conditioner that needed replacing. Obviously, Homeswest properties do not get air conditioning in their properties, which is a bone of contention for me. This person in Wickham made the initial request for work on his air conditioner two and a half years ago, and it had been pushed back and pushed back. In terms of Homeswest tenants, in one case in Carnarvon a couple of months ago, a person was found a house—I am very grateful to the department for finding a house for this person and his son, who has a disability—that had air conditioning. When the tenant went to see the building, the air conditioner was there, but when he came back after getting the key, the air conditioner had been ripped out of

the house. Somebody ripped out of the house this great air conditioner that worked extremely well. I know that the department says that it does not provide air conditioning for people in Homeswest properties. It is a massive waste of money. It is fair enough for the department to say to the tenant that there is an air conditioner on the wall but it is not part of the tenancy, so if they use it and it breaks or it does not work, it will not be replaced. It would be fine for the department to say that, but I do not agree with it. I think that tenants who live above a certain parallel should have air conditioning in their houses and the government should provide it.

Members in the metropolitan area can fend for themselves; they can probably make a case for air conditioning for their tenants in public housing, too. At certain times of the year the temperature in the north west and the goldfields is exhausting, and we should assist families in those places. I was particularly galled that in Carnarvon the department ripped out that working air conditioner and left a hole in the wall—it did not even fill it in! What an absolute waste of money. Somebody was probably paid hundreds of dollars to take out that air conditioner and it could have been left there. That \$400, or whatever it cost, could have been spent on fixing somebody else's house.

Constituents have raised with me the matter of not only Homeswest properties, but also Government Regional Officers' Housing. GROH houses are very important in the regions, and regional members know that. Sometimes it is difficult to get public sector workers to take jobs in regional Western Australia, particularly teachers, nurses and other such professionals. We have a good policy in this state in which government workers can access GROH housing and that policy is particularly important in places such as Tom Price and Newman, where public sector workers cannot afford to rent—they certainly could not afford to rent properties there during the peak of the boom. In fact, they still struggle to do that on their wages. GROH properties are an extra enticement to get workers to move to the regions. In the case of Tom Price teachers have been enticed to town and told that they have a house, only to find that the house is substandard. I am not sure who was supposed to check those places before the key is handed over to tenants, but that work should certainly be done before a tenant moves in. Until now, or certainly up until at least the last few months, there had been issues with the contractor. I am pleased that the contractor in the Pilbara has changed. Somebody has to do their job better. Somebody should be checking these things because contractors should be accountable, and they have not been accountable until now. After speaking to the regional manager in Port Hedland, I understand that the department is working towards real-time tracking of contractors so that they can check when jobs are supposed to be commenced and finished. I think that the problem has been solved, but I have not heard how it is going. I certainly hope that it means that the work that is supposed to be done is done. Those are some of the issues with some of the houses in my electorate.

I also refer the Western Australian Auditor General's report, tabled in this place on 6 May this year, titled "Delivering Essential Services to Remote Aboriginal Communities". The objective of the report was to assess how well the Department of Housing delivers essential services to remote Aboriginal communities through the remote area essential services program. In undertaking the inquiry, the Office of the Auditor General asked three questions: firstly, does the program provide effective services to remote communities in accordance with relevant requirements, standards and guidelines; secondly, does the Department of Housing actively manage essential services, maintenance and repairs in those communities; and, thirdly, does the department integrate services well and coordinate them with other relevant agencies?

In relation to contracting eligibility and coordination, the report found that poor contracting has resulted in the Department of Housing not getting value from its contracts. It also found that the gaps in oversight have resulted in the department overpaying for some services. It also found that Housing does not know whether the right communities are in the program and whether the right work is being done. It further found that asset information systems are inadequate—but the department was addressing that—and that services to communities are not coordinated and, therefore, costs have increased.

Page 19 of the Auditor General's report points out some serious issues with how the department undertakes its work. It is fair to say that prior to the report being written the department had dropped the ball. When the minister responds to this debate, I urge him to name and shame the companies that have been involved in delivering the services or the contracts that the Auditor General's report looked at, because there is no doubt in my mind that some companies are making a lot of money from the state government and from contracts and some are delivering very little. I have said in this place previously that another thing that galls me is that sometimes bigger organisations are given government contracts and they subcontract down to someone else, who in turn subcontracts down to someone else. At each level someone is creaming dollars off the amount that is supposed to be spent in communities so that the amount that is supposed to be spent up the top is probably down the bottom by the time it gets spent. The community gets very little of the benefit that is supposed to be delivered. In the last few weeks it has been drawn to my attention that at least one of the larger companies that has contracts with the department has not been passing the payment on to the subcontractors undertaking the work in a speedy fashion. The department was handing over money, the contractors were banking the money,

locking it away, probably making interest out of it, and months later paying the subcontractors that had undertaken the work. That is not fair. If that is happening and if it happens often, a good contractor will say, “Stuff this! I’m not doing this; I’m walking away from it.” When that happens, we are left with cowboys who may not be able to get work in the outside world but who will happily say that they will do the work at a cheaper cost, and of course they have to wait for their money, too.

In the case of the larger company that came to my attention recently, I was told that some subcontractors had been waiting up to five months to be paid. I think the member for Cockburn in the other place, Fran Logan, the shadow Minister for Housing, has possibly asked questions on this issue. When the minister responds to Hon Samantha Rowe’s motion, perhaps he will provide further information on this matter. If he is aware or if it has come to his attention that some of these contractors are waiting for months to be paid, I would like the minister to tell us what he and the department have done to remedy this, because I certainly do not think it is satisfactory. It is a real problem.

Page 19 of the Auditor General report refers to poor contracting resulting in the Department of Housing not getting full value from its contracts, and states —

Good program management requires robust contracts that include:

- clear responsibilities and authorities for each party to the contract
- clear reporting lines
- clear performance expectations or minimum standards.

Housing’s Program contracts did not meet these criteria, making it more difficult to manage the Program and reducing accountability for outcomes. A lack of clear performance expectations has made it hard for Housing to monitor Program performance and reduced opportunities to improve its efficiency and effectiveness. As a result, Housing is not getting full value from its Program Manager and communities are potentially not getting the most benefits from the Program. All contracts are due for renewal over the next 12 months and Housing informed us that it has begun to review them.

I am pleased to say that some of the contracts have been reviewed and some of the contractors have changed. There is no doubt in my mind that these contractors need to be held accountable. If government wants to outsource this work to contractors, government has a responsibility to ensure that the people to whom it is giving the contracts are undertaking the work that needs to be done.

Page 19 of the report refers also to how poor oversight means that the Department of Housing may have overpaid for some services. It states —

The Program Manager is required to approve Service Provider invoices but it has not inspected work in communities for the past two years and cannot verify that invoices are accurate. Instead, it relies on Service Providers self-reporting that their own work met contract needs and standards. Both Housing and the Program Manager advised that this is because these inspections are outside the contract scope and would involve extra cost and have therefore not been approved by Housing.

Inadequate oversight of Service Providers may mean that Housing has paid twice for some work. We reviewed 361 job orders on wastewater systems of which 90, at a value of \$339 004, were approved and paid as preventative maintenance. However, the information on the job orders and invoices did not make it clear why they were preventative rather than regular planned maintenance for which Service Providers are paid a monthly fixed price. This created a risk that Housing paid more than it should, but we found no evidence that this occurred.

That is a concern. It might not have happened. However, the Office of the Auditor General is quite a conservative establishment. It does not put things in reports that it does not believe are accurate or that there may be doubt about. There is no doubt in my mind that if the Auditor General’s office is pointing to this problem happening, it probably is happening.

**Hon Amber-Jade Sanderson** interjected.

**Hon STEPHEN DAWSON:** Yes, and it probably has happened, Hon Amber-Jade Sanderson.

Page 21 of the report refers to how asset information systems are inadequate, but the Department of Housing is addressing this. It states —

Housing does not have an up-to-date view of the condition of Program assets which have an estimated value of \$765 million. Until recently, Housing did not receive the Program asset data that Service

Providers collected for their own operational reasons. This means that Housing could not readily assess if Program assets meet current or future needs.

This is not rocket science. There absolutely should be proper tracking processes and proper accountability processes. The Department of Housing should know that if money is supposed to be spent in certain communities, that money is being spent. There should be some oversight and checking. I therefore welcome the iPad system that the regional manager for Housing is talking about in the Pilbara. It is certainly going to happen in Hedland. I am not sure whether that has been broadened and whether that will now track work that is being undertaken or allegedly being undertaken in remote communities. I certainly hope it will. I have raised this issue in this place previously, and I do not want to sound like a broken record, but it concerns me that some of the contractors who are supposed to do work in some of these communities might drive out to the community and drive back again and not do that work. I am not sure in some cases whether they even drive out to the community. They might simply say they tried to get out there, and no-one was there, end of story, and still bill the department for the work. If a service provider is being paid a monthly fixed fee, they might say they have driven out to the community, but not do the work and still pocket the fixed fee. They might even do other work in the town, for which the money goes directly to them, and also take the money that is coming from the Department of Housing for them to do the work that they should be doing.

Another issue that is raised at page 21 of the report is that services to communities are not coordinated, increasing the cost. It states —

Service delivery in remote communities is complex and challenging.

We know that. It is not easy to deal with some of these communities. Some of them are a great distance from towns and are difficult to get to. It continues —

The Commonwealth and the State have ministerial, policy, operational and financial roles, and the private sector also plays a part. While coordination is usually not a highly visible issue, the Program Manager and many communities raised the issue with us.

The report states also —

In April 2013, Government recognised that more needed to be done and established the Aboriginal Affairs Cabinet Sub-Committee.

We know that the members of that cabinet subcommittee are the Ministers for Aboriginal Affairs, Health, Mental Health, Police and Regional Development. As this report points out, and as I have pointed out previously, the Minister for Housing is not on that cabinet subcommittee. I think that is a shame.

**Hon Peter Collier:** But he attends, and that is the intent of the exercise. If every minister was on that cabinet subcommittee, it would not be a subcommittee; it would be cabinet. That is the whole point of the exercise, and it is working very well. Ask the minister.

**Hon STEPHEN DAWSON:** Does the minister attend every meeting?

**Hon Peter Collier:** He attends those that are appropriate.

**Hon STEPHEN DAWSON:** We have had months of debate in this chamber and in Parliament about remote Aboriginal communities and the government's short-sighted or ham-fisted plan to close some of those communities.

**Hon Peter Collier:** We do not have a plan to close communities.

**Hon STEPHEN DAWSON:** I am pleased that issue is being dealt with at the moment. But one of the big problems in regional communities is the lack of housing and the overcrowding in housing.

**Hon Peter Collier:** So is education and child protection.

**Hon STEPHEN DAWSON:** Absolutely. However, housing is one of the key problems. I think the Minister for Housing should be there every time this subcommittee meets, because his agency is a big part of the solution. If we could deal with the lack of housing and the over-crowding in houses, some kids could be washed in their houses before they went to school and would not need to be washed when they got to school, some kids could be fed before they got to school, and some kids would not be up all night because there was partying in the house, or whatever, and could get some sleep in a bed before they went to school, and that would help solve that problem, too. I think it is a shame that, as this report says, the housing minister is not represented on the Aboriginal Affairs subcommittee.

The point I am making relates to services not being coordinated. I have said this previously. I have been to remote communities. Sometimes I have flown there on a charter plane. Some of these communities have a great airstrip. I might go there at 10 o'clock and there might be two, three or four other light aircraft in that community. Sometimes it is the case that those aircraft have on them workers from different government

departments. I am not having a go at any government of any persuasion. However, agencies and government departments are often very good at operating in a silo. If there was some way of coordinating those visits to communities, we would save a fortune. If it costs \$5 000 a pop to go to and from a community on a small plane, and there are four planes in the town, that is \$20 000 that is being spent on air travel. I am sure the small business operators who run those aircraft are benefiting. But \$5 000 could be spent on getting a few agencies out to the community on one plane and the remaining \$15 000 could be spent somewhere else.

Several members interjected.

**Hon STEPHEN DAWSON:** I would gladly hop on a plane with staff from agencies if I was allowed to do so. I remember on one occasion there was an issue when I was coming back from Broome. I knew that the Deputy Premier was in Broome because I had spoken with his office. Indeed, the Deputy Premier's office had offered me a seat on the government jet to travel back to Perth. But when approval was sought from the Department of the Premier and Cabinet, my goodness, everything got too hard! The office had to go through the director general of DPC. Anyway, hours later, when I could not risk not getting back to Perth because I had something on that night, I hopped on the pre-booked Qantas plane. I am not saying that ministers have to take politicians from the other side of politics on government planes, but that just shows that sometimes it is too hard, but it should not be that hard. In that instance, the Deputy Premier said that I could jump on the government jet; I can only imagine what would happen if officers from the Department of Housing or the Department for Child Protection and Family Support or wherever else wanted to go out there. I can just imagine the conversations that would need to happen before they could catch a government plane. If they are having those conversations, they are certainly not fixing the housing problems of the community, nor are they dealing with child protection issues or overworked caseloads. The Auditor General pointed out that services to communities are not coordinated, but they have to be—there is no doubt about it. I certainly hope that is happening.

At this stage I am not clear about the government's response to the report, "Delivering Essential Services to Remote Aboriginal Communities". The report refers to specific agencies fixing things or doing things differently, but if the minister has an opportunity and is able to do so, I would be keen to hear him explain whether any tangible changes have been made to address the problems identified in the report. That is my electorate; but it is not only my electorate that has issues with Homeswest and the maintenance of its houses. One need only do a search on POWAnet to see where there have been problems. A story in the *Fremantle Herald* on 16 May has the headline, "Homeswest 'shafts' Freo" and a story in the *Pilbara News* from 13 May ran the headline "Remote water tests show up bugs, uranium". The *Armadale Examiner* ran a story on 7 May with the heading, "No quick fix for unit dispute". A tenant whose belongings were damaged after flooding from her roof questioned why she was moved into a unit that was prone to flooding in the first place. The department repaired the fault, but the flooding damaged flooring and walls and created a hole in the roof. The client was not relocated to another house and was forced to sleep on the couch for a month because she was worried about mould spores in her bedroom. There are also obvious issues with asbestos management. I have raised the issue of asbestos management in this place and I have asked questions of not only the current Minister for Housing, but also previous Ministers for Housing about what the government is doing to remove asbestos, particularly in those houses in which its presence jeopardises the health of residents. I know that many older houses were built with asbestos materials. Some do not pose a risk until a wall is damaged, but certain houses are known to be a risk. I am not sure what the government is doing to manage asbestos in those places. Having received answers to questions about this issue, I know that about half of the Department of Housing residential properties in the Pilbara contain asbestos. I also know of at least one house in Roebourne that is in a high-risk category. The government was supposed to report on the issue and provide a plan for the removal of those houses. The last time I asked the minister questions about this issue, the response was less than satisfactory—indeed, it went along the lines that something would be done, but certainly nothing had been done at that stage. Perhaps if the minister has a chance to respond to this motion, he can tell me what the Department of Housing is doing to manage asbestos in houses and how the government plans to deal with those in the high-risk category.

There are other newspaper stories about the condition of public housing homes angering tenants. Many of the tenants who come to the attention of my office are frustrated, but very few are angry. We have seen a couple of angry people who feel as though they have been banging their heads against a wall for a long time. If I lived in a Government Regional Officers' Housing home and I had been waiting two and a half years for the air conditioner to be fixed, I would be angry. I will not say what I would do, but certainly I would be angry and I would definitely go to my local politician, the media and everybody else! It is not right. Yes, it is a privilege to live in a government house—absolutely; I totally agree. As I have said previously, I am concerned about the amount of money that the government forks out to fix houses that have been trashed. It is a privilege; people do not have a right to access such houses. But if we are giving people the opportunity to move into these houses in the first place, whether it is a GROH house or a Homeswest house, the government should make sure that they are in tiptop condition. People should not be placed in homes that have a rat or ant infestation and nor should

they be placed in homes in which the cooker does not work or it is unsafe because there is no glass in the windows and no security screens. I support the motion and I hope other members do, too.

**HON COL HOLT (South West — Minister for Housing)** [3.27 pm]: I indicate that obviously the government will not be supporting the motion—surprise, surprise!

**Hon Stephen Dawson:** Shame!

**Hon COL HOLT:** Shame!

I take on board some of the issues raised by opposition members in the particular cases they highlighted. I want to provide some perspective about the size and scale of what we are dealing with and the challenges faced by the Department of Housing in providing housing across this big wide wonderful state of ours from metropolitan Perth to the remote areas.

The Department of Housing is responsible for the management and delivery of key services to public housing tenants. It is the largest landlord in Western Australia and owns more than 42 000 properties across the state in public housing and GRO housing. It has an enormous task. The department carries out regular maintenance on properties by following a schedule. It issues up to 20 000 work orders each month and in the overwhelming number of cases, it gets things right. But as Hon Stephen Dawson and Hon Samantha Rowe pointed out, sometimes the department does not get things right. Maintenance services are provided by the department to a high percentage of remote concentrations of social housing than are done in any other state. If one compares the performance of the Department of Housing with similar departments in different states, it is better than most of them and they do not have the same challenges. Indeed, remoteness brings challenges in itself. Getting licensed tradespeople to do the work can be difficult, as we all know, and we also need to be mindful that we are trying to get value for money. Often, the department tries to bulk up visits to remote communities so that tradesmen can go out there and do a number of jobs in one go. Obviously, the sort of maintenance required dictates how long that might take.

I would like to go back through a bit of history because from my viewpoint, having come into the portfolio, it has been about continual improvement, and continually improving on what happened in the past to try to get rid of the type of stories we have heard during this debate.

In 2003 the Auditor General tabled a report that stated —

Public housing maintenance figures highly in tenant complaints to Homeswest, the Parliamentary Commissioner for Administrative Investigations, and the Equal Opportunity Commissioner. Homeswest has been criticised for the standard of its housing properties, the timeliness of urgent maintenance and repairs, the quality of work conducted by contractors, discrimination in the allocation and conduct of maintenance funding,...

In 2007-08, in response to that report, the Department of Housing undertook a review of the maintenance operations that resulted in a series of key recommendations relating to contract procurement and quality assurance activities. At that time the department had 81 zones across the state, was managing approximately 700 separate maintenance contracts or agreements, and dealt directly with more than 300 contractors across the state. The maintenance system from 2003 to 2008 was far from perfect, and the department had experienced complaints about its maintenance services for many years. The maintenance of social housing was a regular topic on talkback radio. Although the standard of social housing stock in Western Australia is higher than most other states, maintenance issues have been ongoing. The maintenance delivery model was inefficient and expensive.

In response to the department's 2007-08 review, it set about implementing the head maintenance contractor model. In 2010, the new maintenance contractor model was implemented to three head contractors in 10 regions across the state. The model was designed to reduce the number of contracts and improve the efficiency and effectiveness of maintenance services. The introduction of the head maintenance contractor model was a significantly big change of process for the Department of Housing at that time. It reduced the number of maintenance contracts to each region and centralised contract administration, which had previously been managed by Housing's regional offices. That initial head maintenance contract expired on 30 October 2014, and the new contract commenced on 1 November 2014. The new head contractor model includes detailed general specifications, technical specifications, performance standards and outcome-based scheduled rates and identifies works tasked to the head contractors. The pricing model adopted seeks true market prices, and has price adjustment mechanisms to target specific trades and materials. The pricing model also accommodates regional and subregional price variance.

The department has acknowledged that there were implementation issues with the first head maintenance contract; that is why it was looked at and responded to. The department responded by putting in place a re-implementation process that achieved significant results. The department reported in its 2010-11 annual report

that it had experienced difficulties following the introduction of the new model. That was the one in 2010, before the revamped one in November 2014.

The department experienced difficulties that were ascribed to process and systems issues that impacted on service performance; in particular, no mobilisation period was adopted to enable the transition in and out of both contracts, so there was a bit of a problem with the crossover. The department also noted that a level of stakeholder resistance was experienced and that it had failed to adequately adopt change management or communication strategies to explain the new contracts to the regional offices on the new way the model was being implemented. There was a significant amount of change, and during that time of change there were some teething problems. I think, by its own admission, the Department of Housing failed to manage it as effectively as it could have.

The new implementation was established after these difficulties in the first contract, and they started working in a much more efficient way. The department started to stabilise the information technology platform, the resolution of the process issues were fixed, and new business practices to support the head maintenance contractor model began. Following the stabilisation of contracts in 2012 a series of audits were undertaken by KPMG in March 2012 and the Office of the Auditor General in September 2012, and lessons were also learnt from management of the previous contract. In July 2011 the Minister for Housing at the time asked KPMG to look at a number of things: whether there was an appropriate business case for the decision to adopt the head character model; whether the head contractor model was an improvement on the previous maintenance arrangements with regard to cost and efficiency; whether the head contractor model provided the department with the means of measuring and driving improved maintenance outcomes; whether the existing contractor service level agreements provided adequate controls and performance monitoring; and, if appropriate, whether performance measuring and metrics and reporting mechanisms had been put in place.

KPMG reported to the department in December 2011. The report highlighted major issues with implementation and the way in which it was managed by the department, which viewed it as a procurement process rather than a transformational project. Issues included a lack of oversight and a lack of transparency in decision-making and record keeping, and very poor management of risk. Issues also extended to the key performance indicators and the balance between the important metrics of cost, timeliness and quality—all equally important in delivering value to public housing tenants.

The then minister also met with KPMG in March 2012 for a briefing on the findings and asked for further work in regard to three issues, being the quality assurance processes applied by the department in monitoring contract performance within a contract, processes employed by the department to ensure accurate and timely payments are made for the completion of approved maintenance work, and the department's progress in reviewing existing KPIs and implementing appropriate performance metrics. Although KPMG identified concerns with the implementation of the new maintenance model, it also found that the head contractor model had led to a decrease in the average cost per work order and that, over time, savings can be achieved. KPMG also found that the head contractor model gives the department the means to try to improve maintenance outcomes. That report was tabled in Parliament on 16 May 2012.

The Auditor General also had a report tabled in Parliament in September 2012. The report followed intense scrutiny and criticism by the media and opposition of housing maintenance activities. The purpose of the review related to whether Housing could demonstrate that its corrective actions had been effective in addressing issues identified since the implementation of the head contractor maintenance model and whether Housing had implemented sufficient controls in the management of the head contractor model. The findings of the Office of the Attorney General indicated that Housing had achieved in both those areas. The Auditor General released his report on the Department of Housing's head contractor model and it was tabled in September 2012. He did say there were some problems with the implementation, as acknowledged by the department, that most of them had been fixed and that the new model is now functioning as it should; that is a good outcome.

Out of those two reviews, one internally by KPMG and obviously one other by the Auditor General, most of the significant problems arising from the initial implementation have been resolved. Day-to-day maintenance processes are now functioning as intended. The interface between Housing and head contractors' information systems are working. Stability has been achieved and the control arrangements now in place are adequate and fully operational. Controls over payments of works orders are adequate. Customer complaints have fallen significantly. Vacant property numbers have returned to long-term historical averages, and overdue works order numbers have fallen and timeliness has improved.

As highlighted by the March 2012 KPMG internal audit report, it was identified that the previous model had not undertaken any formal analysis of regional performance and it was informally compared with what was expected and what was considered normal for the Department of Housing's regional offices. We now have in place a system in which there are checks and balances and ways of monitoring what is going on and our effectiveness.

There have been some challenges in that in the implementation of the first head contractor model. The second one was addressed to improve some of those. The head maintenance contracts have now been executed. There are four of them, as members know: Spotless in north and south east metro; Lake Maintenance in the goldfields, the wheatbelt, and east and west Kimberley; Programmed Facility Management in the south metro, south west and great southern; and, Pindan Contracting, more recently in the midwest and Pilbara.

A comprehensive performance management framework to manage head contractors' performance is now in place. The department measures the head contractors' performance through 15 key performance indicators that allow the department to identify performance issues on an ongoing basis, adopt a profit-at-risk mechanism and inform business improvement. The framework clearly sets the benchmark targets for performance and has adopted a profit-at-risk mechanism, with incentives for good performance and abatements or penalties for poor performance. The introduction of a centralised authorisation line has improved the accuracy of returned work orders and reduced the number of noncompliant issues. The Department of Housing has adopted a quality assurance process that now has the capacity to recover money from head maintenance contractors when works are deemed noncompliant. This capacity did not exist under the first lot of head contractor maintenance model contractors. Since the head contractor model was implemented in July 2010, \$6.2 million has been recouped by the department. That indicates to me that there are still issues with the contractor. If they are not doing that work and we are recouping from abatements for it, there are still some issues there. At least there is some checking going on and, again, this is about continual improvement, so we can address these issues.

One of the things that comes across my desk a lot are complaints about disruptive behaviour, obviously, maintenance orders and the lack of maintenance. Except, I have to say, there is not a huge amount, so I am not sure what is happening between the —

**Hon Stephen Dawson:** I'll send the minister a few more.

**Hon COL HOLT:** Please do!

**Hon Stephen Dawson:** You try to get them sorted out at a local level.

**Hon COL HOLT:** We should try to do that, but as we want to try to continually improve, I want to hear some of those too. If there are systemic issues, let us hear about them. If it is something that slips through the cracks and we can easily identify through the regions the reason that it has happened, let us go and do that too, but I am happy to hear about the systemic issues and chase them up, because I am as committed to consumer improvements as anybody.

Also as part of maintenance, there is a much better planned maintenance schedule arranged for all Government Regional Officers' Housing and public housing throughout the state. This planned approach means that some of those issues are addressed before they become urgent or emergency issues. I still take on board that some of those sorts of things slip through and they cannot always be controlled. Certainly, there is now much more of a planned maintenance schedule that will help fix those things before they become a problem.

To support the head maintenance contract model, in 2009–10 the department introduced a centralised contact centre called Housing Direct. I think this is a significant change from going to regional offices. Often regional offices are under the pump, understaffed. They deal with the gamut of issues that come with public housing. I can see some processes at a regional level, where some of those things may just be missed. Since 2010, the Housing Direct contact centre has been providing that service. One of the things that Housing Direct does is provide a contact for service inquiries for tenants. In 2013–14, the centre handled 213 715 inbound calls. Within a year, that is a massive amount of data to handle and a massive amount of contracting and contacts to manage. It sorts through what is urgent and an emergency, as well as routine maintenance. That is a lot. Housing Direct also dealt with nearly 25 000 online forms. I am told that the average waiting time experienced by callers was six and a quarter minutes, which I think is not too bad. Can we improve it? Probably; there are always ways to improve. Interestingly enough, Housing Direct has received a number of awards including Australian Teleservices Association awards. In 2010, they won the contact centre of the year award for providers with under 50 full-time equivalent employees. In my mind, that has been a move in the right direction from the regional offices into a centralised model whereby inquiries can be handled in a much more process-driven way.

I will touch on turnaround times, which is defined as the average time taken for vacant stock to be made available to rent through normal processes. The time taken for vacant maintenance, cleaning and reallocation for the property to be occupied is an indicator of the government's objective to undertake efficient and cost-effective management. From the Australian government Productivity Commission "Report on Government Services 2015", the Western Australian Department of Housing has the lowest average turnaround times for vacant stock of any department in the nation. I do not think it is necessarily always due to not checking the properties, but a commitment to get the housing stock back up to scratch and out ready for people to use. As an example, in Western Australia the average turnaround time for vacant stock is 19.2 days. Of the other jurisdictions, in New South Wales it is 29.9 days; in Victoria, 32.9 days; in Queensland it is 25.3 days, and members might want to

compare some of the issues and challenges that we have as a large state—it may be the best comparison; in Tasmania it is 33.6 days; in the Australian Capital Territory, 37.3 days; and in the Northern Territory, 37.3 days. Therefore, WA is actually going very well. Over the last five to six years, we have brought that turnaround time down from 27.1 days to 19.2 days, so we are heading in the right direction. Again, there is the commitment by the department for continual improvement.

I move to the new time frames for maintenance. Amendments to the Residential Tenancies Act 1987, which came into operation on 1 July 2013, imposed new obligations on the department as a lessor of residential tenancies to ensure urgent repairs are carried out by a suitable repairer as soon as practicable. The department has reviewed the current housing maintenance work categories against the new legislative provisions of the Residential Tenancies Act and has adopted new time frames for the delivery of urgent maintenance services in the contract to ensure that they are suitable, achievable and compliant with the Residential Tenancies Act. I have seen some preliminary data on how that is going. We are only about eight months into the new head contractor model in which these are being implemented. I think they are okay. We have some way to go to improve those response times, but the goals are set and we need to be driving hard to ensure that we get those more efficient and better turnaround times for maintenance requirements.

There has been a number of procedural changes based on the Auditor General's report in 2012. These include changes to work tracking and management of timeliness, particularly around work orders and high risks to tenant properties. These have been revised again, and I think some members have already put that on the record. I am very keen, after a year of the current head contractor model, to see how that performance is going across all regions and all contractors, just to monitor whether we are achieving what we say we can, and then we will go from there.

I want to touch on the Remote Area Essential Service program and the Auditor General's report on remote area essential services provision. The Auditor General's report was very timely. It looked at a snapshot in time—the period between 2012 and 2014—when there were some really serious issues. I note that the report states that the Department of Housing had addressed quite a few of those. There were some serious concerns about water quality that need to be addressed. That is why we have these reports. That is why we have the Auditor General look at the processes, so that he can clearly identify the issues. I am not quite sure that I agree with the view of Hon Stephen Dawson that “may be requiring” means that something is required, or “may be happening” as quoted by the Auditor General —

**Hon Stephen Dawson:** He is a conservative bloke who errs on the side of caution.

**Hon COL HOLT:** The member is right; he is a conservative bloke, and if he knew it was happening, he would have said it was happening.

**Hon Samantha Rowe:** He is not making this up.

**Hon COL HOLT:** I am not saying that he is making it up at all; I am saying that if he had definitely found it, he would have said so. The report is good. The Department of Housing has accepted all the findings and will be working towards addressing all the concerns raised in that report. Some already have been attended to. It is a challenge providing wastewater services and electricity into remote areas. We know that; it is nothing new and we should be getting better at it.

In conclusion, we have made massive improvements since 2003 in knowing what is happening with Homeswest maintenance and responding to critical issues as well as implementing much better scheduling of routine maintenance. That is pretty clear. We have had a number of reports over that time, both from the Auditor General and internally. There have been a fair few internal reviews. The head contractor model was implemented. There were some teething problems in the beginning, and the second model has now been implemented with some great improvements, as has been recognised. I am very keen to ensure that we continue that improvement, and I encourage members here who know of any systemic issues in the Department of Housing public housing stock, or even within Government Regional Officers' Housing, to come forward. I would be really interested to know about that GROH house that had to wait two and a half years for an air conditioner to be fixed, just to find out what was behind the matter. The member who raised that issue should send me the details. That is the way we are going to improve the service. We have done remarkably well since 2003. My position is that we learn as we go along and keep improving.

**HON AMBER-JADE SANDERSON (East Metropolitan) [3.54 pm]:** I also rise to support the motion and acknowledge the speakers before me. The motion is that the Council calls on the government to conduct an independent and transparent inquiry into the Department of Housing, with reference to the response time for maintenance and repairs of Homeswest tenants. It is a good motion that does not suffer from what Hon Helen Morton has called “condemnitis” in some previous motions that have been debated in this chamber. It is an opportunity for the government to sit back and look at a big change in the way that Homeswest and the

Department of Housing manage public housing. A number of reports have looked at parts of that model and have come out with very clear findings. It is a lost opportunity for the minister and the government to improve the way they do things.

All the previous speakers have said that living in public housing is a privilege, and there are responsibilities on both tenants and the government to treat the house, and the tenants, with dignity and respect. It is paid for by taxpayers. I also acknowledge the size of the task of managing and maintaining the public housing stock. I am sure being a property manager for Homeswest is not one of the easiest jobs in government. I am sure that it can be enormously challenging. However, we have seen a few examples of how being a public housing tenant can also be enormously challenging. There are some gaps in the system. The Auditor General's report and the KPMG report highlighted systemic gaps. An open inquiry would shine some light on all aspects of dealing with public housing, as Hon Stephen Dawson talked about in terms of better coordinating other agencies.

Ultimately, one of the issues with maintenance times is contract management. I was in a public hearing today, so I am not speaking out of turn, and I heard a very senior Treasury official say that contract management across government departments could be done a lot better. That is Treasury saying that we enter into contracts without providing the resources, the skills and the staff to manage the contracts properly and ensure that key performance indicators are being met and that the people we engage are providing the services for the money they are being paid.

I will provide some context for how we ended up with the head contractor maintenance model. Under the previous model, the Department of Housing undertook maintenance service through direct contracting with various trades. That was based on the regional branches issuing job orders directly to local contractors in their own areas. This practice was reviewed in 2007–08 by the incoming Liberal–National government. The department undertook a review of its maintenance operations. Following that review, a new contract model was nominated to be implemented, under which heads of contracts would be awarded in 10 regions. The management of the contracts was contracted out, essentially. Now, contract managers manage the contract managers, who then manage the contracts. It seems like a chain of contracting out in which there is more scope for errors, and the skimming off of profits at every level. The tax dollar is worth less and less as it goes down the chain. As a result of that, all the other maintenance contracts expired on 30 June. The head contractor maintenance model is now based on three head contractors managing the contracts for the department's 10 regions. They manage the workload to appoint the subcontractors to undertake the work. Those contractors are Transfield Services in the metropolitan area, Lake Maintenance in the Kimberley, wheatbelt and goldfields, and Programmed Facility Management in the south west.

A couple of reports have been done, which I will talk about. The first one is the KPMG internal audit into the head contractor model. The minister has also alluded to this audit. In March 2012, KPMG conducted an internal audit of the Department of Housing. The audit criticised the government for its poor decision-making processes, including failing to have a proper business case and opting for a full implementation when actually only a trial of the head contractor model was recommended. In September 2012, the Auditor General also handed down a scathing report into the head contractor model. There have been a number of audits and reports already and the minister has alluded to some of them.

With regard to the 2012 KPMG internal audit report on the head contract maintenance model, the Department of Housing had reported in its 2010–11 annual report that it had experienced difficulties following the introduction of the new model. These difficulties were ascribed to process and systems issues impacting on service performance. The department also noted that a level of stakeholder resistance was experienced. A re-implementation project was established to try to address these issues. The department had issues in 2010 and so tried to re-implement the head contractor model.

The objective of the audit was to provide information to answer questions such as: Was there an appropriate business case for the decision to adopt the new head contractor model? Was the head contractor maintenance model an improvement on the previous maintenance arrangements with regard to cost and efficiency? Did the head contractor maintenance model provide the department with the means of measuring and driving improved maintenance outcomes? Had the existing contracts and service level agreements provided adequate controls and performance monitoring? Had appropriate performance measurement metrics and reporting mechanisms been put in place?

KPMG's internal audit of the Department of Housing made a number of findings relating to these questions. The first finding was that there was no formal business case for the decision to implement the head contractor model. The audit states —

Internal Audit were unable to identify evidence to confirm that different options associated with the implementation had been considered; and that an analysis of each business option had been performed.

That seems like a pretty logical and sensible step to take, but there is no evidence to show that the step was taken. The audit continues —

... Internal Audit were unable to identify evidence to support that the expected benefits and dis-benefits —

If that is a word; I am quoting the audit! —

were analysed and quantified (where possible) to allow an implementation decision to be made.

... neither the Procurement Plan nor the briefing note includes actual figures or costs, and only states generalised assumptions of savings.

That is quite a significant finding for a government department dealing with a huge contract—that there were no figures in the procurement plan; it was just generalised assumptions of savings.

KPMG also found that the decision-making process was not transparent enough. The audit continues —

... the Procurement Plan specifically recommended that a trial of the model be piloted ... to test the validity of the assumptions and expected benefits.

That is an acknowledgement that the department lacked the data and the dollar figures to fully implement it, so the procurement plan actually recommended that there be a trial, and that would have been a sensible way to proceed, but the decision was made in 2010 for the model to be implemented in full. The audit continues —

Several key documents and files were not able to be provided to Internal Audit, due to misplacement or loss. Several files have been marked as “missing” in TRIM (the Department’s electronic document management system), and certain key reports do not appear to have been stored electronically, and associated hardcopies have been misplaced.

These were all the reports and information required to make quite a significant decision. KPMG also found that from a cost perspective the two models were comparable. The comparisons performed by the internal audit indicated that the costs were broadly comparable between the models at a total spend level, but from a timeliness perspective, the head contractor model was worse. Is the government just looking to save money, or is it looking to save money and actually deliver the service? The head contractor model will come out at the same cost, but it will be slower, and the timeliness of the key performance indicators will not be met. The audit also found that from a quality perspective, the contractors were not accountable for quality work. The audit states —

... the current Head Contractor Model contract KPIs do not allow for measurement of the quality of the work performed by the contractors ...

The contract does not allow the department to actually go in and assess whether the work has been done to an adequate standard.

That audit certainly highlights a number of issues with the implementation of the model: there was a lack of transparency around the decision; the model was implemented in full without a trial; there were no costings around the model; and the KPIs were less likely to be met.

I turn now to the Auditor General’s “Report into the Head Contractor Maintenance Model” of September 2012, which has already been discussed by the minister and previous speakers. Essentially, the headline of that report is that the head contractor maintenance model had a lack of management oversight, very poor implementation in the first instance, and very poor management of risk. According to the Auditor General, problems with the transition to the new model became apparent shortly after the contract started on 1 July 2010. Complaints increased; tenants and housing staff advised that maintenance work was not up to standard or was not being done at all. There was a backlog of unpaid invoices for completed work and it was taking longer for vacant properties to become available for rental. That is really critical. It means that there was empty public housing stock because the contractor was not meeting its requirements under the contract and we still have people living in cars or living on the street while waiting on the public housing priority list. The maintenance is not being done. That is a fundamental flaw in the model. The Auditor General also found that many of the problems were a direct result of the incompatibility of the Department of Housing and the head contractors’ information systems, which are essential for issuing, invoicing and paying for maintenance work. Those are really basic communication processes between the department and the head contractor with regard to actually paying for work.

The Auditor General found that contractual arrangements and contract management under the HCMM were inadequate from the outset. This goes to the fact that the government has a policy of contracting out services without properly resourcing those in the department responsible for managing the contract. Many of these contractors are expert at what they do; they write and negotiate contracts that are to their benefit. The public sector is losing the skill to negotiate those contracts adequately on behalf of the state, and to manage the contracts. That is certainly borne out in the Auditor General’s report. The Auditor General found that although

the Department of Housing had previously managed contracts, it did not have a comprehensive contract management framework in place to deal with the new model. I would have thought that that would be the first thing it would do. There was no contract management plan, nor were there service-level agreements specifying head contractor performance levels. There was also no guidance for either Department of Housing staff or head contractors on the processes and procedures to be followed to meet contractual obligations.

These are systemic issues; they are not one or two issues that one would expect with a housing stock the size of what the Western Australian government has. These are systemic contract management issues and issues with the way in which the contract was actually written and entered into.

Debate adjourned, pursuant to temporary orders.