

# Written Questions – Town Camps

## Question 1 – 18

### Details of Briefing

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#### Question 1

1. In December 2009 the Executive Director of Township Leasing entered into a three year Housing Management Agreement with the Northern Territory Government which was extended for an additional 12 months in 2012. Since this time there has been a month to month continuous agreement between the parties.

- a. *Why has a formal longer term Housing Management Agreement not been entered into between the Executive Director of Township Leasing (EDTL) and the Northern Territory Government?*

The Stronger Futures National Partnership Agreement and associated schedule provided for the extension of housing management arrangements on a month by month basis after 2 December 2013.

A formal long term arrangement has not been entered into as negotiations between the EDTL and the Northern Territory have been ongoing.

A review into town camps has recently been announced and will include, in part, a review of current lease arrangements.

- b. *Has the absence of a longer term agreement restricted major works being undertaken on the Alice Springs Town Camps?*

No. The overarching sublease allows for major works to be undertaken.

- c. *What is the impact of the periodic Housing Management Agreement on the Alice Springs Town Camp residents?*

Services continue to be delivered under a periodic Housing Management Agreement as per the services delivered when a fixed term agreement was in place, and in accordance with the *Residential Tenancies Act*.

- d. *How is the Department able to enter into 16 month tenancy management and property management contracts with third parties if it doesn't have an under lease for that period?*

The period provides certainty of service delivery for tenants, and for works and services to the Contractor and ensures value for money in the tender process for Government.

Standard contract provisions apply.

Contracts may be terminated by either party:

- (a) In accordance with the applicable provision of the contract permitting termination by the non-breaching party for breach or default by the other party;
  - (b) 'for convenience', where that termination right is exercised honestly and in good faith; or
  - (c) by mutual agreement.
- e. *Is it the case that, with the Territory's consent, the Executive Director of Township Leasing could enter into a Housing Management Agreement with a non-government organisation after the current month under clause 10 of the sublease? If not, when could a non-government organisation enter into such an agreement?*

Clause 10.1 of the Housing Management Agreement states:

- (a) The EDTL must use its best endeavours to ensure that there is a Housing Management Agreement to enable a Housing Authority to provide housing services to Aboriginals in the Living Area.
- (b) Subject to the provisions of Clause 10, the EDTL may enter into a Housing Management Agreement if the Housing Management Agreement is with:
  - (i) the Territory or Territory Housing; or
  - (ii) a Housing Authority other than the Territory or Territory Housing and has been approved by the Territory and it will commence after the third anniversary of this Sublease.

The Northern Territory Government has recently announced a review into town camps which, in part, will consider current lease arrangements that are in place.

- f. *Are there any impediments to the Territory giving consent to Tangentyere Council being the Housing Authority under clause 10 of the sublease (which it recommends in its submission, pp 5, 26)?*

The sub-lease is held by the Executive Director of Township Leasing (EDTL).

The Northern Territory Government recently announced an independent review into town camps. The review is being coordinated by the Department of Local Government and Community Services (DLGCS) and will incorporate current lease arrangements. Refer media release 11 April 2016.

The purpose of the review is to 'work with leaseholders and residents to find innovative ways to realise their aspirations, find new opportunities and improve living conditions'. The Department is unable to pre-empt the outcome of the engagement process and decisions related to the review regarding leases.

## **Question 2**

2. The questions on notice answers provided to the Committee by the Department indicate that in both Alice Springs and Tennant Creek, the previous property contractors' expenditure was significantly less than the contract awarded amount.

*Can you explain why the full awarded contract amount was not expended given the significant amount of repairs and maintenance these houses require?*

The contract for the property management of the Alice Spring Town Camps was a schedule of rates contract. The Contract is for responsive maintenance and quantities are only projected or forecast estimates based on prior period activity.

The Tennant Creek Community Living Areas contract with JCAC was dependant on the submission of a bi-annual Maintenance and Expenditure Plan. Payment of the quarterly payments took into account the anticipated expenditure as outlined in the plan.

## **Question 3**

3. Your answer to the question on notice regarding the three yearly review of infrastructure needs required by clause 12 of the sub-lease states that "The Department of Housing has committed to working with other Northern Territory Government agencies to conduct the review." On 27 August 2014, the then Chief Executive wrote to the Executive Director of Township Leasing saying she had instructed staff to commence work on such a review.

- a. *What has been done in response to the former Chief Executive's instruction?*

The Department of Housing commenced the necessary steps to scope the project and action required including multi agency discussions.

As advised in the Public Accounts Committee hearing held on 11 April 2016, an independent review of town camps is to be undertaken and coordinated by the Department of Local Government and Community Services.

The Department of Housing, as advised at the Public Accounts Committee hearing by the Department of Local Government and Community Services, will be a part of the review.

- b. *What commitment were you referring to in your answer to the question on notice and when was it made?*

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Clause 12 of the 40 year sub lease Agreement and correspondence referred to above.

c. *What has been done to date to implement that commitment?*

The Department of Housing had commenced the necessary steps to scope the project and action required including multi agency discussions.

As advised in the Public Accounts Committee hearing by DLGCS held on 11 April 2016, an independent review of town camps is to be undertaken coordinated by it. The Department of Housing will be part of the review.

**Question 4**

4. The Department's Annual Reports indicate that since separating from Local Government and Regional Services, the Department has not had the same Chief Executive for more than one reporting year, has changed 80 percent of its executive positions every year, and at June 2015 the two longest serving executive staff had only been in the team for one year.

a. *Why has the Department had such a high executive turnover?*

The Department of Housing has changed format over a number of years which has resulted in executive movements. Any structural changes to the agency have been as a result of Administrative Arrangement Order changes. This is a question to be referred to the NT Government.

*What strategies has the Department employed to maintain continuity of service and corporate knowledge in the face of this turnover?*

The Department maintains a robust system of performance management and improved business enhancement including training, mentoring, and support for all staff including executive contract officers.

*In particular:*

- i. *how has it maintained an understanding of the history and unique circumstances of town camps;*

The Department of Housing has retained key Executive staff and senior staff over a number of years that have historical and current knowledge of town camps.

- ii. *how has it maintained effective negotiation of NPARIH and the renegotiation of the Housing Agreements under the sublease over a number of years?*

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The Department of Housing has retained key senior staff over a number of years who have developed collaborative and strong working relationships with the Australian Government.

### **Question 5**

- 5 *What qualitative and quantitative data on repairs and maintenance requests and work completed does the Department keep?*

The Department uses the below reporting and processes to track and monitor repairs and maintenance completed works.

- Housing Maintenance Officer Contract Management Report
- Tenancy Service Provider Contract Management Report
- Maintenance request forms
- ASNEX orders and invoices
  - ASNEX is the Northern Territory Government's Asset management system.
- Program Expenditure reports
- Audit reports

### **Question 6**

6. *What proportion of repairs and maintenance work undertaken is valued at less than \$100 and completed by Tangentyere Constructions without needing approval from the Department?*

Under the Housing Maintenance Coordination Contract, Tangentyere Constructions are on a monthly fixed labour retainer for all housing maintenance works. The \$100 limit refers to materials associated with this contract.

Since commencement of its contract in February 2016, Tangentyere Constructions completed works with a value of less than \$100 (materials only), as follows;

- February 2016 – 90% of total works
- March 2016 – 84% of total works

### **Question 7**

7. *What is the period and value of the panel contract for Alice Springs Town Camps?*

The period of the Remote Trade Panel Contract for Alice Springs Town Camps is 3 February 2016 until the 31 May 2017.

Funding for trade works has been estimated at \$748,800 for the period of the contract.

*What processes does the Department of Housing follow to ensure that panel contractors have completed repair works and that this work is of a quality standard?*

The Department monitors and audits the works completed by panel contractors on receipt of advice works have been completed or on invoice. Contractors are required to provide before and after photographs or other evidence to assist in this process.

### **Question 8**

8. *The Committee was informed by the Department that the tenancy management contractor is now using the Department's tenancy management system database to record repairs and maintenance requests.*

c. *Do the property management contractor and panel contractors have access to and use this database?*

The Tenancy Management contractor has access to the Tenancy Management Service (TMS) database.

b. *Why did previous contractors not have access to and use the database?*

Property maintenance contractors do not use the TMS database, as TMS is a tenancy database.

### **Question 9**

9. *What processes does the Department have in place to ensure that the contractors are performing to an acceptable standard?*

As advised during the previous hearings, the Department monitors contractor performance via informal weekly meetings with the contractors. Monthly formal contract management meetings occur.

Formal management reports are assessed at the monthly contractor meetings which are conducted in a formal setting and are structured against the Key Performance Indicators of the contract.

### **Question 10**

10. *What is the repairs and maintenance process for Tennant Creek given that the property management contractor is also the sole panel contractor?*

The repairs and maintenance process is for repairs to be reported to the property management contractor who will undertake non trade specific works.

All trade specific works are referred to the Department to action with the trade specific panel contractors.

**Question 11**

11. *Tangentyere claims that the Territory is required under the Housing Management Agreement to repair or replace certain houses the Department has deemed to be beyond economic repair (p 13).*

*Do you agree that the Department is required to repair or replace these houses?*

The Department of Housing is meeting its obligations in accordance with the Housing Management Agreement.

Houses that are considered to have major 'structural damage' undergo a process of assessment to determine works required. The Department has taken action to review and assess the few houses considered to have structural damage.

*If not, what is the basis for denying this claim?*

*Refer above.*

*What action is the Department taking in response to this claim?*

*Refer above.*

**Question 12**

12. *Tangentyere's submission questions whether the requirements of clause 11 of the Alice Springs Subleases were complied with in the recent tender process (p 6). This Committee is not examining the merits of the tender outcomes, but compliance with lease requirements is relevant to its examination of administrative arrangements.*

- a. *Were all the provisions of clause 11 complied with in the recent tender process, including the assessment of tenders in consultation with the relevant Commonwealth Department on the basis of the issues in 11(b), and has the Commonwealth Minister determined, in writing, that the process was open and competitive under clause 11(g)?*

Procurement action was undertaken pursuant to the Northern Territory Government Procurement Directions and the sublease. In doing so, it is consistent with Clause 11 of the sublease including the requirements relating to Clause 11 (e).

**Question 13**

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13. *Does the Department of Housing conduct meetings with the Alice Springs Housing Reference Groups?*

The current Tenancy Management Services contractor, Zodiac Business Services, coordinates and facilitates all Housing Reference Group meetings as a key requirement of the contract.

A Department of housing representative attends Housing Reference Group meetings.

*If so, how often are these conducted?*

Housing Reference Group meetings are required to be held, at a minimum, quarterly.

*Does the Department consult with the groups regarding changes in tenancy and repairs and maintenance policies, as required by the Housing Management Agreements?*

Yes, an Agenda is set prior to the Housing Reference Group being held which outlines topics for discussion, including any policy matters.

#### **Question 14**

14. *Do you consider that the Department is meeting its obligations in relation to town camps under the Residential Tenancies Act?*

The Department of Housing is meeting its obligations in accordance with the *Residential Tenancies Act*.

*If not:*

*In what ways is the Department not meeting its obligations?*

*What is being done in response to this?*

Refer above answer.

#### **Question 15**

15. The Committee was told by Ingkerreke that initially they were able to contact the Department to seek approval to undertake additional repairs up to \$500 that were not included on the original work order but during the contract this policy was changed.

- a. *Why was the policy changed?*

There was no change to the policy in regard to additional repairs to the value of \$500.00. Contractors are able to contact the department to seek authorisation to complete repairs for materials costing over \$100.

- b. *Did the policy change result in inefficiencies by Ingkerreke needing to make a subsequent visit to complete the other repairs?*



Refer above.

- c. *What is the current policy and process if a property management contractor or panel contractor notice additional repairs required at a house?*

The current Housing Maintenance Officer (HMO) contract allows the contractor to perform repairs and maintenance works without prior approval from the Department to the value of \$100.00 for materials only.

Under the current arrangements, the contractor is able to contact the Department to seek pre approval by phone if the value is likely to exceed the \$100 cost of materials to undertake additional repairs whilst on site.

If panel contractors identify other work when onsite, contractor/s can contact the Department and receive immediate verbal approval to proceed, and follow up with a work order after the works have been undertaken.

#### **Question 16**

16. *Are repair or maintenance requests on town camps ever denied due to lack of funds?*

'Repairs and Maintenance' is a category of works used by the Department and in the budget process to describe works that are routine or of a minor nature.

The Department is allocated funding for repairs and maintenance for town camps.

The Department is unaware of any repair and maintenance requests that have been denied due to lack of funds for repairs.

Houses that are considered to have major 'structural damage' undergo a process of assessment to determine works required. The Department has taken action to review and assess those few houses considered to have structural damage.

#### **Question 17**

17. *The Committee has been told by the Central Australian Affordable Housing Company (CAAHC) of instances where repairs on a vacant house were not done until a prospective tenant had the necessary bond and rent, resulting in extended periods of vacancy.*

*Are you aware of the instances cited?*

Yes. CAAHC had previously raised this issue with the Department. The Department took action to discuss this with CAAHC and proceed with business improvement processes.

The Department has implemented the new contract model and is working with the contractor and Housing Reference Group to ensure repairs and maintenance and allocation are undertaken in a timely manner.

*Why are not houses prepared to be re-tenanted as soon as they become vacant?*

As soon as a house becomes vacant the Department works with the contractor to commence action to re tenant a property. This includes consultation with the Housing Reference Group to identify a suitable applicant.

This pre allocation process is to provide the new tenant with the opportunity to obtain the required bond and rent. Repairs and maintenance are also identified in the process and works carried out.

The Department has implemented the new contract model and is working with the contractor and Housing Reference Group to ensure repairs and maintenance and allocation are undertaken in a timely manner.

### **Question 18**

18. *The Committee has heard concerns from NAAJA, CAALAS and the Central Australian Affordable Housing Company regarding the Department determining that damage is tenant related and either not authorising the property contractor to repair the damage or applying a maintenance debt to the tenant.*

a. *What is the policy that guides the Department to determine whether damage is tenant related?*

The Department of Housing assesses tenant related damage in accordance with the *Residential Tenancies Act (RTA)* and the *Tenant Responsibilities Policy*.

Tenant Damage in accordance with the policy is 'considered to be any intentional or negligent damage to the premises...'

b. *Are there instances where the Department has refused to repair tenant related damage?*

The Department does not refuse to make good on any health, safety, or security repairs. Where damage is of a minor nature, the tenant is given the first opportunity to rectify the damage in accordance with the RTA.

- c. *Is the tenant informed by the tenancy management contractor or the Department of decisions regarding tenant related damage including maintenance debts?*

Tenants are advised of decisions relating to tenant damage and can enter into an agreement to pay off maintenance debts.