

Inquiry into Housing Repairs and Maintenance on Town Camps

Legislative Assembly of the Northern Territory

12th Assembly

Public Accounts Committee

Submission by: Colin Tidswell, Chief Executive Officer Yilli Rreung Housing Aboriginal Housing Aboriginal Corporation.

Date: 09/02/2016

Background

Yilli Rreung Housing Aboriginal Corporation (Yilli Housing) is a leading provider of affordable housing based in Darwin in the Northern Territory. We are an independent, Indigenous based organisation, delivering professional housing management, maintenance and construction services to the Top End community.

We provide affordable housing to individuals and families who are disadvantaged in the mainstream Darwin housing market as well as property and municipal services to a number of Indigenous communities, including all formalised Town Camps in the Darwin region.

We also provide a range of support services to our clients and offer a supported environment to teach people about the rights and responsibilities of a tenancy.

We have a dedicated team of property managers, project officers, works and maintenance staff who manage the tenancies, maintenance and works projects on Yilli Housing properties.

In partnership with Indigenous leaseholder organisations, Yilli Housing provides housing management, maintenance and municipal services to the following Darwin Town Camp communities:

Town Camps

- Bagot Community
- One Mile Dam Community (Railway Dam)
- Knuckey's Lagoon Community
- Palmerston Indigenous Village
- Minmarama Community
- Kulaluk Community

Leaseholders

Yilli Housing does not hold title to any Town Camp leases but manage the housing and municipal services for the Indigenous organisations that hold these leases, these being:

Bagot Community Inc.

- Bagot

Aboriginal Development Foundation

- Knuckey's Lagoon
- One Mile Dam
- Palmerston Indigenous Village

Gwalwa Daraniki Association

- Minmarama Park
- Kulaluk

Yilli Housing have in place MOUs with all leaseholder organisations and tenancy agreements with all Tenants and properties under its management.

Town Camp Housing Stock

Yilli Housing currently manage the following Town Camp housing stock:

Type	Location	Number
Urban Community	BAGOT	55
Urban Community	KNUCKEY LAGOON	17
Urban Community	KULALUK	20
Urban Community	MINMARAMA PARK	24
Urban Community	PALMERSTON TOWN CAMP	20
Urban Community	RAILWAY DAM	5
		141

There is a range of construction types from largely open metal sheds, steel framed housing and masonry block housing, the majority being masonry block construction. Condition of the housing ranges from poor (a small percentage) with the majority of houses being in what would be considered a fair condition.

Offline Stock

Across all of the Darwin Town Camps there are 8 houses currently untenanted and offline. These houses require major refits, with 2 beyond economical repair

Offline Housing:

BAGOT	5
KNUCKEY LAGOON	0
KULALUK	1
MINMARAMA PARK	2
PALMERSTON TOWN CAMP	0
RAILWAY DAM	0

This equates to a Housing offline rate of 5.6%. It has been reported that the housing offline rate for Alice Springs Town Camps is over 12%

1. Timeliness of Completing Repairs

During the 2014/15 financial year Yilli Housing responded to 1142 occurrences for housing repairs and maintenance, outstation maintenance and infrastructure repairs across all our Indigenous Communities. Total responses breakdown 2014/15:

Urgent – Attended to and rendered safe	102
Priority – Attended and satisfactorily finished	225
General or routine repairs – Attended and satisfactorily finished	1142

Management of Maintenance Requests

When a maintenance request comes in the relevant property manager or reception (if the request is rung through) sends a request through email to maintenance. This is done as soon as the request comes in. Maintenance assesses the request, if it is a health and safety or urgent job a Yilli worker or contractor is immediately despatched and a works order is generated later.

If the job is priority or normal it is logged on the system, a work order generated and a worker despatched in order of priority. When the job is completed the work order with notes from contractor or Yilli worker is returned to the maintenance section. The job details are entered on the system and the job is closed. Property managers will check on the system to see if the job is completed and completed work order notes.

All Yilli staff are located in the same building if there is any confusion over a job or more information required it is as simple one staff member going from their desk to another's for clarification, be this tenancy, maintenance or finance.

It is important to note that R&M requests are with the Maintenance section generally within minutes of them coming in, there are no layers of Bureaucracy to wade through. Maintenance requests are processed quickly and in order of priority and as in urgent jobs are not held up waiting for issuing of purchase orders.

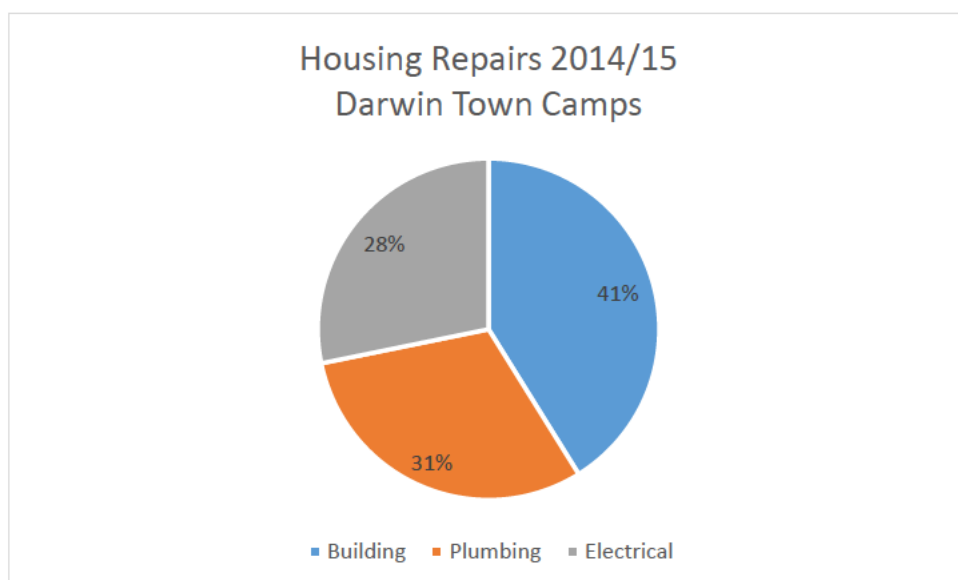
We have over the past three years worked hard to bring our response times down for R&M. In the 2014/15 financial years the Yilli Housing response times (job completed and closed) across the Darwin Town Camps for R&M are as follows.

Category	Response time (days)
Urgent	1
Priority	2
General	4.5
All Jobs Average Response time	2.5

2. Cost of Repairs

Of the R&M carried out on the Yilli Indigenous communities in 2014/15 734 of these were related to just housing repairs in the Darwin Town Camps.

The breakdown of what repairs were needed are as follows:



All electrical repairs are carried out by qualified electrical contractors and any plumbing that is specialised by qualified plumbers. However, all non-specialised plumbing (majority) and building works are carried out by Yilli tradesmen and handymen. As demonstrated in the table below this greatly reduces our costs as we are not paying contract tradesmen's rates for the majority of our R&M.

Tradesman	\$Hourly Rate (INC GST)	Comments
Yilli Maintenance Worker	\$33.84	Inc. Super
Electrician	\$96.80	Min 1-hour fee
Plumber	\$148.50	Min 1 -hour fee
Carpenter (External)	\$66	Min 1 -hour fee
Electrician - after hours call out	call out fee \$385 includes the first hour labour every hour after that is \$165 per hour	
Plumber Call after hours call out	Call out fee \$330 + \$148.50 per hour	

This is in contrast to NTG managed Indigenous housing where the majority of repairs are carried out by contractors.

Timelessness of Repairs

There are also significant savings to us if we attend to maintenance quickly while a problem is still minor rather than it become a major and expensive job. A good example is a dripping tap in a shower recess, a tap washer is only a few dollars and about 15 minutes for one of our Yilli workers to repair, a total repair bill with labour of less than \$20. If that leaking shower tap is not reported or

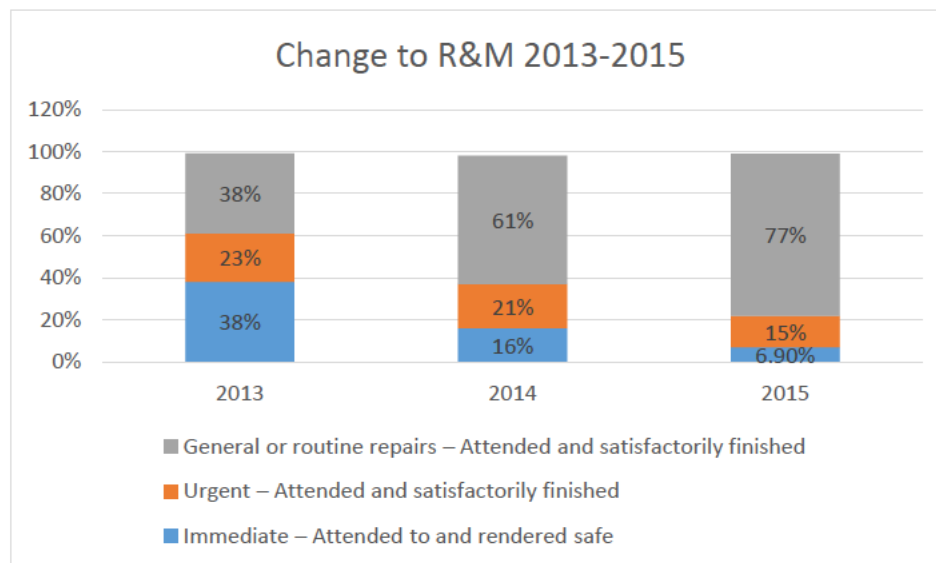
picked up on a routine inspection the leak gets progressively worse with the water eating out the tap breach and requiring a major response. This would require the jackhammering of the tap breach and assorted pipes out of the wall, replacing the breach and associated pipework, concreting the wall, sealing the wall and replacing and re-grouting of the shower tiles, a job that all up would be in excess of \$800. A preventative maintenance program as detailed below has provided significant cost savings to us.

It is also important to note that in my experience and research done by Australian Housing and Urban Research Institute (AHURI) that if maintenance is not carried out in a timely manner tenants will often stop reporting maintenance. With the attitude of “why should I report it as it never gets fixed anyway” So we place a lot of importance in attending to maintenance in a timely manner.

We also generally find that the tenants that do not report maintenance are those that have damaged a property and there are significant tenant damage issues that the tenant does not want Yilli Housing to know about.

Preventative Maintenance

Yilli Housing has over the past three years implemented a preventative maintenance program across its housing stock. This has been effective particularly in the reduction of urgent R&M which is generally electrical or plumbing, often actioned out of working hours and usually involves a call out of contractors to respond. The subsequent call out rates are very expensive. In the 2013 financial year urgent jobs represented 38% of all repairs, this dropped to 16% in 2014 and now represents only 6.9% of repairs.



This change to response required has and is producing significant savings to our R&M program as well as of course being far better for our tenants as they do not suffer the inconvenience of urgent out of hour’s repairs.

Effective responsive maintenance

This is also important in reducing our cost. At the start of each day work orders are issued to our maintenance workers and tradesmen. This order lists works required on the allocated jobs. However, there is flexibility in this process and for example if one of our workers attends a property to fix a tap washer, he sees other taps leaking but they are not on the works order he will go ahead and fix these taps anyway while he is onsite. If the job is more major, he will ring through to the

works manager and get permission to repair while he is already on site. We always tell our workers it is easier and cheaper to amend the order rather than the worker have to travel back and forwards to site just because it was not listed on the original order.

In our experience this is in contrast to the government managed housing where if it is not on the order it does not get fixed until a new order is processed, usually requiring the contractor to make multiple trips to the work site and adding delays and cost in getting R&M completed.

Cost to Government

Yilli Housing receives \$3166* in housing maintenance funding per dwelling from the NTG for the Darwin Town Camps. This government spend does not fully cover all costs and additional costs are drawn from rent and income from projects.

A spend of \$3166 per dwelling I believe is good value for government considering this delivers a maintained and insured house. I believe that this would be less than the current per dwelling spend on NTG managed Indigenous housing in the Northern Territory.

*Excludes Municipal and Essential Services and NT Jobs package funding.

Affordability for Tenants

As our housing on the Town Communities is classed as community housing our tenants can receive Commonwealth Rent Assistance. Depending on people's circumstances this is a very attractive subsidy and brings down their housing cost considerably.

For example, a family of two adults and two children living in a three-bedroom house at Bagot community paying \$360 per fortnight in rent would attract a rent assistance subsidy of \$151. This makes their cost for housing just over \$100 per week. This rent assistance subsidy is a significant financial assistance to our clients as well as the economy.

If you extrapolate out an average of \$151 in rent assistance across our 141 houses this equates to \$21,000 a fortnight flowing into the economy or around \$550,000 per annum

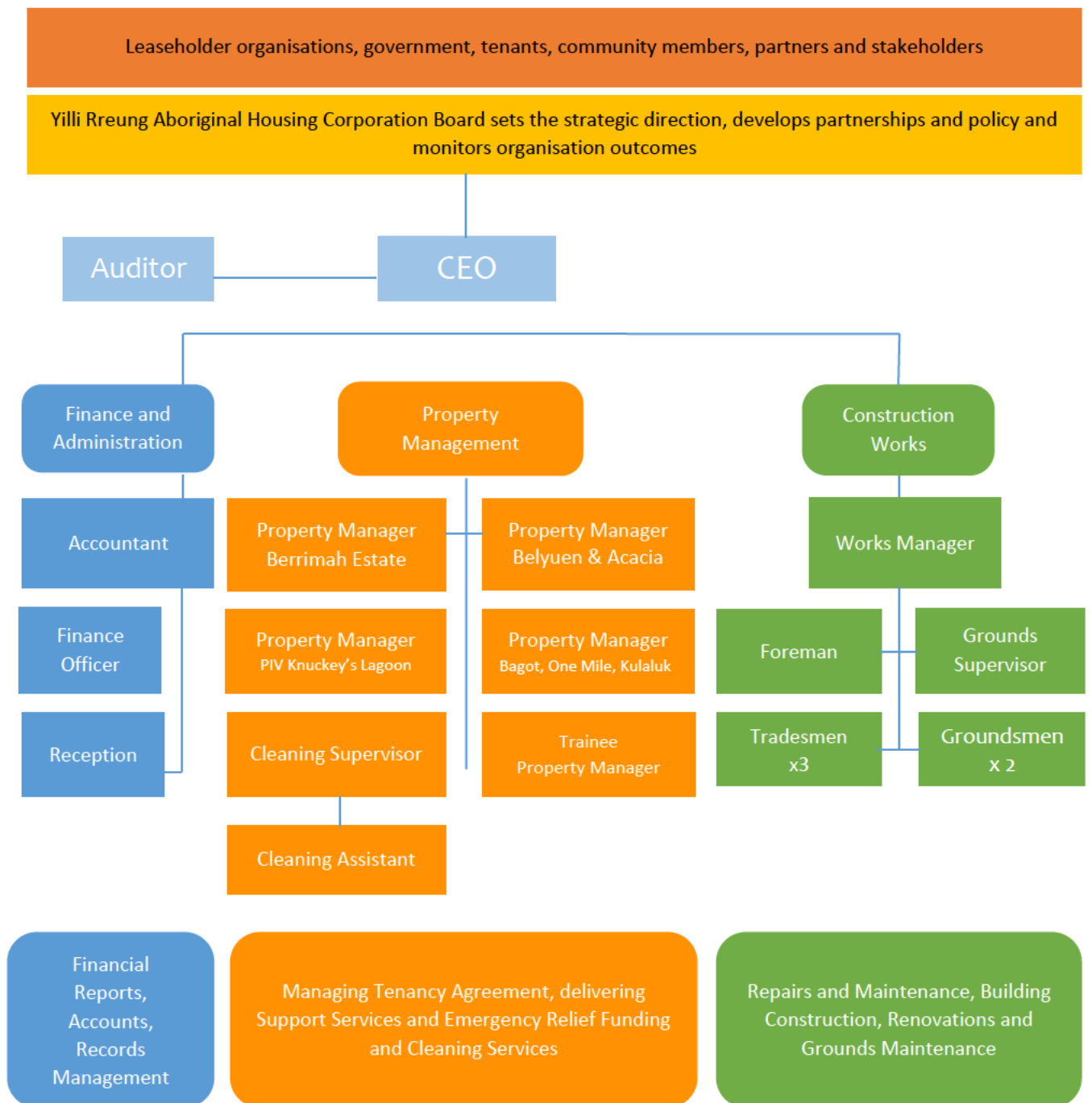
Housing controlled by the NTG such as in the Alice Springs town camps cannot attract rent assistance as they are classed as public Housing.

3. Consistency, Accessibility and Efficiency of Administrative Arrangements.

YRHAC has a skills-based board structure, and members and directors are selected for their skills, knowledge, ability and commitment to assisting the community. Members must be local Indigenous people.

The organisation is structured wholly around housing and aims to provide a holistic housing management service to our clients both within our Indigenous communities and in our affordable housing programs.

Yilli Housing Structure:



The Yilli Housing structure differs from government management housing as there is no separation between property management, tenancy, maintenance or finance. All sit within our structure and share a common reporting and information system.

Information System

One of the keys to us achieving this seamless integration is we operate a Chintaro information system. Chintaro is a specialised community housing management system. We are one of the few in the territory that use this system.

All sections of Yilli contribute to this system:

Property Management/Tenancy: Property managers keep detailed case notes and assign tasks (e.g. Inspection schedules; manage rental arrears and arrangements; manage waiting lists, generate wordmerged letters to tenants.

Maintenance: Property maintenance, including responsive, planned and cyclical; detailed inventories, cost or repairs, completion dates, case notes and automated scheduling of tasks.

Finance: Chintaro is built around transactional tenancy and property ledgers including automated rent payments from salary, Centrepay and income management banking institutions, arrears, rent statements and financial reporting.

All sections of Yilli use the Chintaro system and it is fully updated daily. At any time, property management, maintenance or finance can pull up a full property history for any of our properties including tenancy, maintenance or finance.

One Stop Shop

Yilli has Property Management (tenancy), Maintenance, Grounds Management, Cleaning and Finance staff. We can do everything for our tenants from cleaning their property prior to and after a tenancy, signing them up and managing their tenancy, housing maintenance of the property, providing them with a rent statement and even grounds maintenance. There is no disconnect between the services that a tenant needs and there is no confusion as to who to go to get a particular housing service.

Use of Local Indigenous labour

Yilli housing has an indigenous staffing rate of 77% with our average staff retention in excess of 5 years. All of our Property Managers, Maintenance Workers and Grounds Staff are indigenous 100%. Our Indigenous clients are far more comfortable discussing issues with another Indigenous person and are for example be far more likely to report maintenance to one of our workers rather than a white contractor. Our staff are also all long term Darwin people who have a deep understanding of the issues facing Indigenous people in the Darwin Town Camps.

This understanding provides Yilli with an ability to respond quickly, culturally sensitively and appropriate manner to any housing issue that may occur in the Town Camps.

Key Issues for Yilli Housing

- **Age of the housing Stock**

Most houses would be around 20 years old now and due to this age require increasing levels of maintenance to keep them going. An example of this is that we are having to completely replace plumbing pipework in the roofs of many of our houses. We fix a broken pipe in the ceiling plumbing, we are often called back to the same property several weeks later to fix another blown pipe a few meters away. The pipes have just deteriorated from age. We are finding it is better to just replace all the pipework though this does come at a considerable cost (around \$3500 per property). Aging solar hot water systems are another example with a replacement cost of nearly \$6000 per property.

These sort of repairs and soaking up a lot of our R&M budget and therefore increasingly putting pressure on our budgets and diverting funds away from preventative maintenance, refurbishment and upgrade works

A Darwin Town Camp housing renewal funding package to address these age related issues would be of great benefit to our tenants and go to reducing on going R&M expenses.

- **No new housing stock**

All Darwin Town Camp housing stock is old with no new housing constructed in a Darwin Town Camp for over 10 years. All recent Indigenous housing programs have been targeted at remote communities.

With no new stock coming online this has placed enormous pressure on the existing housing stocks as there has been considerable urban drift of population from remote communities in this time as well as just natural population increase.

Overcrowding is an issue and contributes to higher wear and tear and R&M on our properties. We try to mitigate this as much as possible by installing heavy duty household hardware and infrastructure for example heavy duty stoves and extra-large septic and double size absorption trenches but there is only so far you can go with this. Ideally many houses could do with extensions and as was found in the remote housing programs installation of additional toilets and showers.

The only real solution is the building of additional housing in Town Camps

- **Limited powers to enforce tenancy and evict bad tenants**

Yilli Housing is the property manager not the leaseholder, subsequently we do not have the power to evict tenants out of their house and or off the lease. This power sits with the leaseholder and any evictions must be authorised by the leaseholder. This consent is often difficult to obtain due to the close family or social connections between leaseholders and tenants. Therefore, if we have tenants that damage their properties, fail to pay rent or causing social disturbance it is usually very difficult for us to enforce a tenancy or evict bad tenants.

It is also often difficult for the leaseholders to enforce tenancy matters as they often live in the community and are faced with threats and violence from other residents if they take a hard stand on tenancy issues. Leaseholders are also often reluctant to take measures that

will also affect them such as increasing the rent. It is difficult to be the landlord and tenant and many conflicts of interest arise.

- **Governance**

Besides Bagot association the other lease holding organisations do not have general community representation on their Boards or management committees. Many members of the communities feel disempowered and find it difficult to have a say in their own communities.

Prime Minister and Cabinet (PM&C) were at one stage looking at this governance issue and attempted to form local advisory committees but this now seems to have stopped.

- **Employment of local (in community) workforce**

Whenever Yilli Housing does major renovation or infrastructure project in a Town Camp we attach local community members to the project. While this is great while the project is running we do not have the funds to employ these workers on an ongoing basis.

Being in an urban area we are unable to access the federal government CDP programs to employ or train local workers. It would be great to see the CDP and for that matter the NTG Indigenous employment and development programs that are also targeted at just remote communities also applied to urban areas in the NT.