



STANDING COMMITTEE ON HEALTH, AGEING AND COMMUNITY SERVICES
CHRIS STEEL MLA (CHAIR), ELIZABETH KICKERT MLA (DEPUTY CHAIR), VICKI DUNNE MLA,
CAROLINE LE COUTEUR MLA, MICHAEL PETERSSON MLA

**Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE**

Asked by MR MARK PARTON MLA:

Community Services Directorate Annual Report, Housing ACT and the housing portfolio responsibility

In relation to Housing ACT pages 78 -103 and the housing portfolio responsibility generally.

1. In relation to the Total Facilities Management tender process, (CSD page 84):
 - a. What is the structure and stages of this procurement process;
 - b. If applicable, how many providers have been asked to submit a tender;
 - c. What is the value of the work for public housing that has been put to the market;
 - d. What action have you taken to strengthen the client relationship and service delivery needs in the statement of requirement for the tender;
 - e. When will negotiations be completed and when will you be making an announcement on a new service provider;
 - f. When will the transition period between Spotless and the new service provider commence and what will be its duration; and
 - g. What measures will you put in place to ensure there is no impairment of service delivery for public housing tenants during the change-over period?
2. In regard to the Total Facilities Management tender, what role has Unions ACT had so far, or what processes will Unions ACT participate in as part of the tender process:
 - a. Will Unions ACT issue some sort of formal certification as part of the tender finalisation; and
 - b. Has any pre-tender documentation been rejected or revised on the basis of Unions ACT advice or objections?
3. On occasions, we receive feedback from constituents who believe that a public house near them has been unoccupied for quite a while or is only occupied occasionally. What process is in place to ensure that:
 - a. Each public house has bona-fide tenants;
 - b. Public housing properties are genuinely and actually occupied;
 - c. There are no unauthorised residents; and
 - d. Vacant properties are bought back on line as soon as possible after tenants' departure?
4. What is the average period a public housing property might be vacant for:
 - a. What would be the longest duration of any vacancy;
 - b. How many vacancies would be caused by tenant vandalism;
 - c. What action is taken in regard to tenant caused damage and how successful are such actions; and
 - d. Could the Minister provide a snapshot as of 30 June 2017, showing the number of vacant properties and the length of each vacancy?

YVETTE BERRY MLA: The answer to the Member's question is as follows:–

1. In relation to the Total Facilities Management tender process, (CSD page 84):
 - a. The tender for the next Total Facility Management (TFM) Services Model is an open invitation to the market, the structure and stages of this procurement process is as follows:
 - i. On 3 March 2017, a pre-tender information session was held for potential tenderers and other stakeholders to advise them of the proposed tender for the TFM services and to seek feedback.
 - ii. The preparation of the Tender included consultation with stakeholders and endorsement by the Government Procurement Board and approval by the delegate.
 - iii. On 13 November 2017, the Tender was advertised on the ACT Government procurement website, Tenders ACT, with a closing date of 2 February 2018.
 - iv. The Tender will undergo Evaluation by a panel. The preferred provider will be engaged through negotiation and a process of mobilisation will occur.
 - v. There will be a progressive phasing in of the new service model and a phasing out of the existing service model.
 - vi. It is expected that services under the new TFM Service Model will commence on 1 November 2018.
 - b. The process is an open tender to the market at large.
 - c. The estimated value of the Reimbursable Services to be provided under the new TFM Services Model is \$800m over the 14 year life of the contract. The initial term of the contract is six years with an option for Housing ACT to extend the contract at its discretion. The value of the contract for the initial six years is \$302m.
 - d. Considerable consultation with a range of stakeholders was undertaken. This included public housing tenants by use of a tenant survey and the Tenant Consultative Group, community housing providers operating from Housing ACT leased properties and sub-contractors. The Statement of Requirement in the TFM Services Tender has considerably strengthened the requirement for engagement with tenants, including a requirement to consider the "voice of the Tenant" in delivery of the services. The TFM service provider is also required to undertake regular satisfaction surveys in response to the work and performance of sub-contractors, trades people and suppliers.
 - e. The announcement of the new TFM Service Model can only occur once the contract negotiations have been finalised and the contract executed.
 - f. There will be a progressive phasing in of the new service model and a phasing out of the existing service model. It is expected that services under the new TFM Service Model will commence on 1 November 2018.
 - g. The contract provides for the TFM service provider to prepare and implement a Mobilisation Plan that ensures the continuity of services to Housing ACT to ensure repairs and maintenance continue to be available to tenants. Housing ACT will work with the TFM service providers to ensure a coordinated and orderly migration of the service to the new service model.
2. Key stakeholders, including Unions ACT, ACT Work Safety Commissioner, Tenants Union and the ACT Council of Social Service were provided with an opportunity to submit comments on the pre-tender consultation paper. The pre-tender consultation paper included an extract from the agreed Memorandum of Understanding on Procurement of Works and Services between the ACT Government and Unions ACT which outlines industrial relations and employment obligations.

Unions ACT attended the General Information Session for potential tenderers on 6 December 2017 and provided a brief outline of industrial relations and treatment of employees in the ACT.

- a. No, there is no formal certification, however Unions ACT may be able to provide comment on each Tenderer's ethical supplier declaration for review by the Evaluation Panel.
- b. Housing ACT considered comments from all stakeholders in the final design of the Request for tender.

3.

- a. Tenants are responsible for advising Housing ACT if they plan to vacate a property. Following commencement of a new tenancy, Housing ACT undertakes an initial 2 week and 90 day Client Service Visit (CSV) with a tenant.

All tenants with long term tenancies receive a CSV by their Housing Manager at either 12 or 18 month intervals. In all cases tenants are required to be home for the visit and provide identification to confirm the person present is the tenant. CSV's can only be conducted with the tenant, not with other residents and/or dependents.

- b. Refer to 3a above. If the CSV has been unsuccessful, a further attempt is made. If the Housing Manager is unable to successfully complete the CSV, Housing ACT will make application for an Access Order through the ACT Civil and Administrative Tribunal to gain access and assess the occupation of the property.

Housing ACT also receives complaints from members of the public regarding possible abandonment of public housing properties. Each complaint is fully investigated.

- c. Tenants are required to advise of any changes to the household composition and this is confirmed by identification of residents during a CSV.
- d. Housing ACT have a robust vacant property management process in place that aims to ensure that vacant properties are made available to applicants in the shortest possible time frame.

Once keys are returned, any necessary work to ensure that the property meets Housing ACT standards is scoped and works then commence as soon as possible. The TFM contract includes a performance management system which has two key performance indicators in relation to vacant property timeframes as well as a quality assurance component.

Properties may be vacant for extended periods due to a range of reasons such as being abandoned or where expert reports or assessments are required, for example when a property requires a new wet area, is damaged by fire, has major structural issues or termite damage.

Properties may also appear vacant for extended periods where an asset management decision is being made about the future of the property.

4.

- a. At 30 June 2017, the longest period a property had been vacant was 1,214 days. The property is located within a Body Corporate and has suffered significant structural failure. Housing ACT, alongside other private owners from the complex and the Body Corporate, have been involved in a class action to seek restitution from the builder. The property is currently unable to be sold or relet.
- b. In 2016-2017, Housing ACT terminated three tenancies before the ACT Civil and Administration Tribunal for property condition.
- c. If damage to a property is caused by a tenant it is expected that the tenant will have it repaired in accordance with their tenancy agreement. Housing ACT may arrange this through the TFM contractor, or the tenant may arrange repairs privately. It is expected any

repairs are done to a professional standard and, where required, completed by a qualified person.

Where Spotless completes the repair work, the tenant (or their agent) is required to authorise this work and accept the charges. If the costs are disputed, a formal review process is managed through Housing ACT's property services team.

Occasionally there are instances of non-compliance where Housing ACT may seek to recover outstanding costs through debt recovery agencies or from the ACT Civil and Administrative Tribunal.

- d. Properties are usually vacant for a period to undertake repair work. Housing ACT uses the following categories for managing maintenance on vacant properties:

Vacant Category	Repair Period	Works
Routine	10 Days	Properties require less than \$5000 of work to bring them to standard for reletting
Significant Work	42 Days	The property requires more than \$5000 of work to bring them to standard for reletting
Single Upgrade	48 Days	Where a kitchen or wet area requires an upgrade
General Upgrade	60 Days	May be a kitchen and wet area upgrade or other significant works, including painting and carpeting throughout
Major Structural Maintenance	120 Days	For remediation for issues such as major termite damage, trees falling on properties, failure of structural elements
Major Disabled Modifications	120 Days	Full bathroom, kitchen, egress modifications, ceiling hoists, doorway and hallway widening
Fire Damage	270 Days	A property has been damaged by fire
Long Term Vacancy	N/A	Property is held due to feasibility studies, redevelopment or other reason.

At 30 June 2017, the following properties were vacant (disregarding properties being decanted prior to being handed to the Public Housing Renewal Taskforce):

Days Vacant	Number of Properties	Percentage of Total Stock
1 – 10 Days	122	1.03%
11 – 20 Days	17	0.14%
21 – 30 Days	26	0.22%
31 – 40 Days	9	0.08%
41 – 50 Days	21	0.18%
50 – 100 Days	17	0.14%
101 – 150 Days	8	0.07%
150 – 200 Days	5	0.04%
Over 200 Days	11	0.09%
Total	236	2.00%

Approved for circulation to the Standing Committee on Health, Ageing and Community Services

Signature:



Date: 22/12/17

By the Minister for Housing and Suburban Development, Yvette Berry MLA