



Public Accounts Committee

Report on the Housing Authority's Failure to Follow Through on Undertakings Made to the Committee

Report No. 13
June 2016

Legislative Assembly
Parliament of Western Australia

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Public Accounts Committee

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Report No. 13

Presented by

Hon. Dr K.D. Hames, MLA

Laid on the Table of the Legislative Assembly on 23 June 2016

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Executive Summary

The Public Accounts Committee (the Committee) has tabled this short report to inform the Parliament of the frustrations the Committee has endured in its communications with the Housing Authority over a matter of Committee business.

The matter relates to the Housing Authority's failure to follow through on undertakings given in response to recommendations made by the Committee in its Report No. 8 of 2014 *Review of Auditor General Reports No. 3 – Selected Reports 2012 and 2013*. The recommendations were aimed at improving the level of transparency around the auditing and key performance indicator (KPI) framework of the Housing Authority's Head Contractor Maintenance Model (HCMM).

As this report details, the Housing Authority not only failed to follow through on the undertakings it made in response to the Committee's recommendations. It also failed to provide the Committee a written explanation for this oversight within the two-month timeframe offered by the Committee.

Ultimately, the Committee was compelled to call the Housing Authority in for a hearing to explain its actions. It was only at this hearing that the written response was finally provided. The Committee did not have adequate time to scrutinise this response at the hearing, but has done so since. It has found ambiguities in the response regarding both the audit methodology and outcomes for lower value maintenance jobs, and the form and content of the KPI data, the Housing Authority plans to publish in future annual reports. The Committee has made two recommendations it believes will produce more meaningful public data around the performance of this critical aspect of the Housing Authority's work.

In summary, the Housing Authority's actions around this matter did not meet the expectations the Committee has of public sector agencies in their interactions with representative bodies of the Parliament. Members urge the Housing Authority to show greater respect for the committee process, and our role as parliamentarians, in any future dealings with the Committee.

Ministerial Response

In accordance with Standing Order 277(1) of the Standing Orders of the Legislative Assembly, the Public Accounts directs that the Minister representing the Minister for Housing report to the Assembly as to the action, if any, proposed to be taken by the Government with respect to the recommendations of the Committee.

Findings and Recommendations

Finding 1

Page 6

In Report No. 8 of 2014 entitled *Review of Auditor General Reports No. 3: Selected Reports 2012 and 2013*, the Committee directed two recommendations to the Housing Authority. The recommendations were aimed at improving the level of transparency around the auditing and Key Performance Indicator (KPI) framework of the Head Contractor Maintenance Model.

Finding 2

Page 8

In the consolidated Government response to Committee Report No. 8 of 2014, the Housing Authority indicated that it had accepted the Committee's recommendations and would include relevant information pertaining to these recommendations in the next annual report (2014-2015).

Finding 3

Page 8

When the Committee examined the Housing Authority's *2014-2015 Annual Report*, it could not find any material in the report consistent with the Housing Authority's earlier undertakings. Consequently, the Committee wrote to the Housing Authority seeking an explanation as to how the annual report met the undertakings made by in the government response to the Committee's 2014 recommendations.

This letter was dated 2 December 2015 and asked the Housing Authority to respond by 5 February 2016.

Finding 4

Page 9

On 10 February 2016, the Office of the Acting Chief Executive Officer of the Housing Authority emailed the Committee apologising for missing the deadline and advising that 'it hoped' to send the response 'by no later than Tuesday 16 February 2016.'

Finding 5

Page 9

On 24 February 2016, having received no further correspondence from the Housing Authority, the Committee resolved to call the Acting Chief Executive Officer, Mr Paul Whyte, to appear at a public hearing to explain the actions of his agency.

Finding 6

Page 10

Appearing before the Committee Mr Whyte confirmed that the Housing Authority did not include the information it had undertaken to publish in its *2014-2015 Annual Report* in response to the Committee's recommendation.

Mr Whyte attributed this outcome to an 'administrative oversight'.

Finding 7**Page 11**

Appearing before the Committee Mr Whyte acknowledged the Housing Authority's failure to provide a response to the Committee's letter of 2 December 2015.

Mr Whyte attributed this outcome to 'an administrative error [that] ... was perhaps exacerbated by me being on leave.'

Mr Whyte assured the Committee that systems have now been put in place to ensure such outcomes are not repeated.

Finding 8**Page 15**

It is important that the Housing Authority publishes meaningful data around the audit regime in place for maintenance jobs valued under \$500 each year in its annual report.

Recommendation 1**Page 15**

The Housing Authority publishes the following information relating to its Head Contractor Maintenance Model each year in its annual report:

- a description of its audit methodology, and the number of jobs valued under \$500 that are audited each year;
- confirmation of the total number (and percentage) of non-compliant jobs;
- a breakdown of this number (and percentage) for each area of non-compliance; and
- a summary of the strategies the Housing Authority is undertaking to address non-compliance issues.

Finding 9**Page 18**

It is important the Housing Authority publishes meaningful data around the performance of the Head Contractor Maintenance Model in its annual report.

Recommendation 2**Page 18**

The Housing Authority publishes a comprehensive summary of the performance of its Head Contractor Maintenance Model each year in its annual report. The summary should include the following information:

- a clear explanation of each of the fifteen key performance indicators (KPIs);
- confirmation as to which of the five overarching performance categories (timeliness, quality, cost, safety, and participation) each KPI applies;
- publication of the target figure for each KPI along with the actual level of performance achieved; and

- a table for each of the four current head contractors indicating the level of performance against all 15 KPIs.

Chapter 1

Rationale for Report

Follow-Up of Auditor General Reports – Committee’s Expectation of Agencies

- 1.1 The Public Accounts Committee (the Committee) has resolved to table this report in order to express its disappointment and frustration regarding the extent to which it has had to follow-up to ensure that the Housing Authority completes undertakings it made in response to Committee recommendations.
- 1.2 The recommendations were contained in Chapter Three of the Committee’s Report No. 8 of 2014 entitled *Review of Auditor General Reports No. 3: Selected Reports 2012 and 2013*.¹ The recommendations emanated from the Committee’s consideration of the Housing Authority’s response to a 2012 Auditor General performance audit that examined the implementation of the then-Department of Housing’s Head Contractor Maintenance Model.²
- 1.3 As noted in previous Committee reports³ the Auditor General’s performance audits assess the effectiveness and efficiency of programs and activities delivered by public sector agencies. Recommendations within these audit reports are aimed at improving the performance of agencies in order to facilitate value-for-money outcomes from the expenditure of public funds. However, agencies have no formal requirement to respond to these recommendations and the Auditor General has no authority to enforce their adoption.⁴
- 1.4 Consequently, the Committee follows up with agencies to ensure they are taking actions that demonstrate proper consideration is being given to implementing the recommendations of the Auditor General. On occasions, the Committee will direct its own recommendations to audited agencies with a view to further improving agency performance and accountability.

1 Public Accounts Committee (39th Parliament), *Review of Auditor General Reports No. 3: Selected Reports 2012 and 2013*, Report No. 8, 23 October 2014.

2 Auditor General Western Australia, *Second Public Sector Performance Report 2012*, 26 September 2012.

3 Public Accounts Committee (39th Parliament), *Review of Auditor General Report No. 4: Selected Reports 2013 and 2014*, Report No. 10, 24 September 2015, paragraphs 1.2-1.3.

4 Office of the Auditor General (WA), *Audit Practice Statement*, August 2015, p. 8.

Chapter 1

- 1.5 The Committee takes its role very seriously and expects agencies to do likewise. Hence, the Committee's disappointment with the tardy response of the Housing Authority, which it summarises in the following pages.

Chapter 2

Chronology of Committee Follow-Up of the Housing Authority

Auditor General's Report into the Head Contractor Maintenance Model

- 2.1 On 26 September 2012, the Auditor General tabled his *Second Public Sector Performance Report*. This report contained the findings of three 'narrow scope' performance audits⁵, one of which examined the Department of Housing's implementation of the Head Contractor Maintenance Model (HCMM). The HCMM was a new system for managing what was, at the time, a \$100 million maintenance program for 45,000 properties within Housing's portfolio that were used to provide low-cost rental accommodation. The HCMM was introduced in July 2010, but ran into difficulties soon after implementation, forcing the Department to undertake a three-stage program of corrective action. The Auditor General's report looked at whether this corrective action had been effective and whether Housing 'had implemented sufficient controls in the management' of the HCMM.⁶
- 2.2 While the Auditor General concluded that the problems emanating from the initial roll-out of the HCMM had been largely resolved, he noted room for improvement with the program's system controls around fraud detection and its key performance indicator (KPI) framework.⁷ The Auditor General's report included the following recommendations:
- 2.3 Housing should:
- i. *Ensure it has sound systems, processes and controls in place that minimise the opportunity for fraud and gives it the best chance of detecting it by:*
 - a. *conducting structured fraud risk analysis to identify areas of its maintenance processes or systems where the risk of fraud is highest;*

5 Whereas broad scope performance audits examine the effectiveness and efficiency of public sector agencies, narrow scope audits (also known as limited scope audits) consider a range of matters including agencies' compliance with legislation and policy and 'instances of inefficiency, waste or extravagance'. Office of the Auditor General (WA), *Audit Practice Statement*, August 2015, p. 5.

6 Auditor General Western Australia, *Second Public Sector Performance Report 2012*, 26 September 2012, pp. 34-35.

7 *ibid.*, p. 36.

Chapter 2

- b. putting in place a fraud policy to assist staff to detect fraud and respond appropriately to instances of suspected fraud; and*
 - c. making greater use of its maintenance information to identify patterns of activity that may indicate fraud.*
- ii. Further develop its Head Contractor key performance indicators to include quality, cost and tenant satisfaction. Currently performance reporting is focused entirely on timeliness indicators.*
- iii. Use risk based analysis of its tenant and property information, job order data and quality assurance results to better inform target setting for KPIs, job order controls, and the sampling used for completed work inspections before and after payment. This analysis should synthesise information from all sources and include a risk assessment of tenants and properties, as well as consideration of the various types of maintenance work being done (emergency, priority and routine and planned maintenance).⁸*

Committee's Initial Follow-Up of the Auditor General's Report

- 2.4 Table 1 below outlines the chronology of the Committee's initial follow-up of the Housing Authority (as the department had subsequently become known) regarding the Auditor General's report.

Table 1 Chronology of Committee's Initial Follow-Up of Housing Authority

23 May 2013:	The Committee wrote to the Housing Authority seeking a detailed response to the actions the Authority intended taking in response to the Auditor General's report.
4 Sept 2013:	The Committee received a response from the Housing Authority.
12 Sept 2013:	Having considered the written response, the Committee wrote again to the Housing Authority requesting its Director General give evidence at a public hearing.
16 Oct 2013:	Then-Director General, Mr Grahame Searle, appeared before the Committee along with Mr Steve Parry, General Manager, Service Delivery, and Mrs Sarah Ronald, Director, Housing Maintenance.
21 Oct 2013:	The Committee wrote again to Housing Authority requesting written responses to eight questions taken on notice at the public hearing.
12 Nov 2013:	The Committee received the Housing Authority's response to the questions taken on notice at the public hearing.
20 Nov 2013:	Having considered the written response, the Committee resolved to conclude its follow-up and to draft a summary chapter for its next omnibus report to Parliament detailing agency responses.

⁸ Auditor General Western Australia, *Second Public Sector Performance Report*, September 2012, p. 37.

2.5 After concluding its follow-up, the Committee reported on its findings in Chapter Three of its *Review of Auditor General Reports No. 3: Selected Reports 2012 and 2013*, which was tabled on 23 October 2014. These findings are repeated below verbatim⁹:

- *Maintenance jobs valued at under \$500 are not checked before payment, but random samples are selected for audit on an ongoing basis. Jobs valued at under \$500 make up 35 per cent of all maintenance work.*
- *The Committee is satisfied with the general adequacy of the actions the Housing Authority has taken in response to the Auditor General's recommendations, notwithstanding the fact that some aspects of these recommendations appear not to have been fully addressed.*
- *While the Housing Authority does not appear to conduct structured fraud risk analysis of its Head Contractor Maintenance Model, the quality assurance audit processes now in place are consistent with the overall intent of the Auditor General's broader recommendation to minimise the opportunity for fraud within the program.*
- *The Housing Authority has taken important steps to broaden the KPI framework applicable to Head Contractors by incorporating cost, workmanship, and tenant satisfaction indicators in its new round of contracts. This should enhance the capacity of Housing to more accurately assess work of its Head Contractors and the overall effectiveness and efficiency of its Head Contractor Maintenance Model.*
- *While Housing does not appear to have adopted the Auditor General's call for 'risk-based analysis', it has implemented a variety of measures for identifying and analysing risk within its Head Contractor Maintenance Model.*

2.6 The Committee directed two recommendations to the Housing Authority, both of which were aimed at improving the level of transparency around the auditing and KPI framework of the HCMM. These were listed as Recommendations 3 and 4 of the Committee report, and they read as follows¹⁰:

9 Public Accounts Committee (39th Parliament), *Review of Auditor General Reports No. 3: Selected Reports 2012 and 2013*, Report No. 8, 23 October 2014, Findings 4-8, pp. 31,36.

10 *ibid.*, Recommendations 3 and 4, p. 38.

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- **Recommendation 3:** Given that 35 per cent of the Housing Authority maintenance work is on jobs valued at under \$500, the Housing Authority should include in its Annual Report the methodology and outcome of its audit of random samples of maintenance jobs valued at under \$500.
- **Recommendation 4:** The Housing Authority should include in its Annual Report a comprehensive summary of the performance of the Head Contractor Maintenance Model. Using Key Performance Indicator data obtained from its Head Contractors, this summary should demonstrate the extent to which the model is driving better maintenance outcomes in the areas of timeliness, reduced costs, and quality of workmanship.

Finding 1

In Report No. 8 of 2014 entitled *Review of Auditor General Reports No. 3: Selected Reports 2012 and 2013*, the Committee directed two recommendations to the Housing Authority. The recommendations were aimed at improving the level of transparency around the auditing and Key Performance Indicator (KPI) framework of the Head Contractor Maintenance Model.

- 2.7 It is the Housing Authority's response to these recommendations that have been a source of ongoing frustration for the Committee.

Housing Authority Accepts Committee Recommendations

- 2.8 The Housing Authority's response to the Committee recommendations was included as part of a consolidated government response to the entirety of the Committee report that was tabled in Parliament on 11 February 2015. The full text of the responses to Recommendations 3 and 4, which are included below, confirm that the Housing Authority accepted both recommendations and committed to a specific course of action¹¹:

Response to Recommendation 3:

*The Housing Authority **accepts this recommendation and will provide methodology and the outcome of its audit of random samples of maintenance works** valued under \$500 in the next Annual Report (2015). The Annual Report draft commences in March 2015 and is published in September 2015 (emphasis added).*

11 Hon. Colin Barnett MLA, Premier, 'Response to Report No. 8 Review of Auditor General Reports No. 3 – Selected Reports 2012-2013', (Tabled Paper), 11 February 2015, pp. 2-3.

Response to Recommendation 4:

*The Housing Authority **accepts this recommendation and will provide a comprehensive summary on the performance of the Head Contractor Maintenance Model in the next Annual Report (2015)** (emphasis added).*

The Housing Authority's new Housing Maintenance Contracts commenced on 1 November 2014. The new Contracts have adopted the following Key Performance Indicators:

- *Timeliness (30%) – Completion of Work Orders.*
- *Quality (40%) – Compliance of Works Orders and Program Works undertaken.*
- *Cost (5%) - Timeliness of invoices.*
- *Safety (20%) - Compliance of Works undertaken and in line with the Health and Safety and Environmental Management Plan.*
- *Participation (5%) - Compliance with meeting the agreed Industry Participation Plan, Indigenous Employment and Apprenticeship Plans.*

Tenant satisfaction is a further measure that will be undertaken through regular surveys and will be undertaken by both Head Contractors and the Housing Authority. Survey results will drive further business improvements in the areas of service delivery and tenant satisfaction as per the requirements outlined in the Annual Operational Plan both parties have agreed to.

The Annual Operational Plan, in conjunction with the Key Performance Indicators, has been developed with Head Contractors to continually improve the delivery of maintenance services to the Housing Authority over the term of the Contract; particular focus will be service delivery, tenant satisfaction, value for money and industry improvement.

The Annual Report draft commences in March 2015 and is published in September 2015.

Contract Key Performance Indicators for the new Contracts were adopted on 1 November 2014.

A series of monthly and quarterly reports will be undertaken to manage Head Contractors' performance in conjunction with the Annual Operational Plan.

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Finding 2

In the consolidated Government response to Committee Report No. 8 of 2014, the Housing Authority indicated that it had accepted the Committee's recommendations and would include relevant information pertaining to these recommendations in the next annual report (2014-2015).

Housing Authority Fails to Follow Through on its Undertakings

- 2.9 Having considered the Housing Authority's response, the Committee resolved to check the agency's next annual report, due in September 2015, to confirm whether the proposed courses of action had been completed. However, when the *2014-2015 Annual Report* was subsequently published, the Committee could not find any material consistent with the Housing Authority's earlier undertakings.
- 2.10 Consequently, the Committee wrote to Mr Paul Whyte (who had assumed the position of Acting Chief Executive Officer of the Housing Authority following the resignation of Mr Searle in mid-2015) asking him to demonstrate how the annual report met the undertakings made by the Housing Authority in the government response to the Committee's recommendations. This letter, a copy of which is included in Appendix One, was sent to Mr Whyte on 2 December 2015 and asked for a response to be provided by 5 February 2016.

Finding 3

When the Committee examined the Housing Authority's *2014-2015 Annual Report*, it could not find any material in the report consistent with the Housing Authority's earlier undertakings. Consequently, the Committee wrote to the Housing Authority seeking an explanation as to how the annual report met the undertakings made by in the government response to the Committee's 2014 recommendations.

This letter was dated 2 December 2015 and asked the Housing Authority to respond by 5 February 2016.

- 2.11 The deadline for a response to the Committee passed without a reply from the Housing Authority. Five days later, the Committee received an email from the office of Mr Whyte. In this email, a copy of which is included in Appendix Two, Mr Whyte's office apologised for not meeting the deadline. The email added that:

*The response is currently being finalised and it is hoped that it will be sent to you no later than Tuesday 16 February 2016.*¹²

- 2.12 By the time of the Committee's next deliberative meeting, held on 24 February 2016, no further correspondence had been received from Mr Whyte's office. The Committee Secretariat made two attempts to contact Mr Whyte's office between 16 and 24 February. Both went unanswered. Having been unable to elicit a satisfactory answer, the Committee resolved to call Mr Whyte to appear at a public hearing on 16 March 2016 to explain his agency's actions.

Finding 4

On 10 February 2016, the Office of the Acting Chief Executive Officer of the Housing Authority emailed the Committee apologising for missing the deadline and advising that 'it hoped' to send the response 'by no later than Tuesday 16 February 2016.'

Finding 5

On 24 February 2016, having received no further correspondence from the Housing Authority, the Committee resolved to call the Acting Chief Executive Officer, Mr Paul Whyte, to appear at a public hearing to explain the actions of his agency.

Housing Authority Appears Before Committee to Explain its Actions

- 2.13 The full transcript of the hearing with the Housing Authority is included at Appendix Three. Appearing before the Committee were Mr Whyte and Mr Gregory Cash, General Manager, Service Delivery.
- 2.14 At the hearing the Committee sought the following information:
- i. Confirmation as to where the Housing Authority's 2014-2015 Annual Report addressed the undertakings contained in the Government response to the Committee's 2014 report.
 - ii. Reasons as to why the Housing Authority failed to provide a response to the Committee's letter of 2 December 2015.
- 2.15 Regarding the first matter, Mr Whyte confirmed that the relevant information the Housing Authority undertook to provide regarding the audit and performance measurement framework for the HCMM was not included in the 2014-2015 Annual Report. Mr Whyte offered the following explanation for the oversight:

¹² Mr Mitch Penny, A/Manager Ministerial Liaison, Office of the Director General, Housing Authority, Email, 10 February 2016 (see Appendix Two).

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*The information was not included in the annual report because of an administrative oversight. There was not any technical issue or practical issue as to why it was not.*¹³

- 2.16 Mr Whyte also attributed the failure to respond to the Committee as ‘an administrative error [that] ... was perhaps exacerbated by me being on leave.’¹⁴ The Committee questioned Mr Whyte on this point, asking him whether the oversight was attributable to staffing issues within his department. Mr Whyte did not explicitly acknowledge this as an issue, explaining that:

*During that period of time over the Christmas period, I asked to personally oversee that response. The response that I got, I was not satisfied with at the time and I asked for further information to be provided and that was not provided within a timely manner.*¹⁵

- 2.17 Mr Whyte and Mr Cash advised that a detailed response was now at hand and provided this to Committee towards the end of the hearing.¹⁶ This response, which is contained in Appendix Four, will be discussed in the next chapter.

- 2.18 The Committee asked whether systems had now been put in place to ensure similar oversights are not repeated. Mr Whyte replied:

*In terms of the preparation of our annual report, most definitely. We have a more thorough checklist of items to be included in the annual report. In terms of timely responses to this committee and to other parliamentary committees, that has also been put in place through a system.*¹⁷

Finding 6

Appearing before the Committee Mr Whyte confirmed that the Housing Authority did not include the information it had undertaken to publish in its *2014-2015 Annual Report* in response to the Committee’s recommendation.

Mr Whyte attributed this outcome to an ‘administrative oversight’.

13 Mr Paul Whyte, A/Chief Executive Officer, Housing Authority, *Transcript of Evidence*, 16 March 2016, p. 2 (see Appendix Three).

14 *ibid.*

15 *ibid.*

16 *ibid.*

17 *ibid.*

Finding 7

Appearing before the Committee Mr Whyte acknowledged the Housing Authority's failure to provide a response to the Committee's letter of 2 December 2015.

Mr Whyte attributed this outcome to 'an administrative error [that] ... was perhaps exacerbated by me being on leave.'

Mr Whyte assured the Committee that systems have now been put in place to ensure such outcomes are not repeated.

Chapter 3

Committee Conclusions

Committee's Frustration at the Conduct of the Housing Authority

- 3.1 The Committee spends a significant proportion of its time following-up agencies to ensure they give due consideration to recommendations made by the Auditor General in his ongoing series of performance audit reports. The Committee sees this role as an important part of a process that is designed to support effective policy implementation and enhance the quality of public programs and services.
- 3.2 When reporting on its follow-ups to Parliament, the Committee will occasionally include recommendations of its own. As noted at paragraph 1.4 above, these recommendations are generally framed with a view to further improving agency performance and accountability. When an agency indicates that it has accepted the Committee's recommendations, and outlines a prescribed course of action, it is reasonable for the Committee to expect that it can take the agency at its word and consider the matter concluded.
- 3.3 Unfortunately, the conduct of the Housing Authority on this occasion did not meet these expectations. It appears that without the Committee's ongoing pursuit of this matter, the undertakings made by the Housing Authority may not have been carried out. The Committee is frustrated by the fact that it has had to go to such lengths to ensure an agency has followed through on commitments made in response to a committee report. It is equally frustrated at the timing with which the Housing Authority ultimately delivered its written response, leaving the Committee no time to analyse the content for the purposes of further scrutiny during the hearing.
- 3.4 The Committee has tabled this report to inform Parliament of these frustrations and to provide a reminder of the standards the Committee expects when it interacts with agencies. Agencies should also note that the Committee reserves the right to re-open and re-examine any concluded follow-up—as it has done in this instance—to ensure that due regard is given to its own recommendations and those of the Auditor General.

Comments on the Content of the Housing Authority's Written Response

- 3.5 The Committee acknowledges that the Housing Authority has again committed to improving the level of transparency around the methodology and outcomes of random audit samples and maintenance jobs valued at under \$500, and the overall performance of the Head Contractor Maintenance Model (HCMM). The Committee will

Chapter 3

examine the Housing Authority's next annual report to ensure detailed information is included relating to these points.

- 3.6 In its written response delivered to the Committee at the hearing of 16 March 2016, the Housing Authority provided further detail as to the type of content that will be included in future annual reports. The Committee has since considered the Housing Authority's response and makes the following comment on the proposed content.

Reporting on the audit of maintenance jobs <\$500 – methodology and outcomes

- 3.7 The Housing Authority confirmed that it established a set of new head maintenance contracts that took effect from 1 November 2014. During a transition period through to February 2015 the auditing regime was 'temporarily placed on hold'.¹⁸ A 'revised testing regime' was re-established in February 2015 comprising 'monthly physical and desktop compliance inspections' on a 'minimum of 5 per cent of paid work orders across all head contractors'.¹⁹ The Housing Authority indicated that '[t]his information will be included in the next annual report (2016)',²⁰ but was not clear as to the specific information it was referring to.
- 3.8 It is important that the Housing Authority publishes meaningful data around this aspect of its operations. The Committee has previously noted that 35 per cent of all maintenance work covers repairs valued at under \$500.²¹ Based on the Housing Authority's latest published estimate of its total property maintenance obligations (\$147 million for 2014-2015), as much as \$51 million dollars could be spent annually on these lower end jobs,²² with fraud risk an ever-present consideration. The enhancements to the audit regime put in place by the Housing Authority to mitigate this risk²³ are acknowledged by the Committee. However, it would like to see greater transparency around the work the Housing Authority is doing in this area so that the Parliament and the public are in a position to assess the effectiveness of this work. Accordingly, the Committee recommends the Housing Authority include the following information in its annual reports:

- a description of its audit methodology, and the number of jobs valued at under \$500 that are audited each year;
- confirmation of the number (and percentage) of non-compliant jobs;

18 Mr Paul Whyte, A/Chief Executive Officer, Housing Authority, Letter, 16 March 2016, p. 2 (see Appendix Four).

19 *ibid.*

20 *ibid.*

21 Public Accounts Committee (39th Parliament), *Review of Auditor General Reports No. 3: Selected Reports 2012 and 2013*, Report No. 8, 23 October 2014, p. 31.

22 Housing Authority, *Annual Report 2014-2015*, 15 September 2015, p. 84.

23 Public Accounts Committee (39th Parliament), *Review of Auditor General Reports No. 3: Selected Reports 2012 and 2013*, Report No. 8, 23 October 2014, p. 30.

- a breakdown of this number (and percentage) for each area of non-compliance; and
- a summary of the strategies the Housing Authority is undertaking to address non-compliance issues.

Finding 8

It is important that the Housing Authority publishes meaningful data around the audit regime in place for maintenance jobs valued under \$500 each year in its annual report.

Recommendation 1

The Housing Authority publishes the following information relating to its Head Contractor Maintenance Model each year in its annual report:

- a description of its audit methodology, and the number of jobs valued under \$500 that are audited each year;
- confirmation of the total number (and percentage) of non-compliant jobs;
- a breakdown of this number (and percentage) for each area of non-compliance; and
- a summary of the strategies the Housing Authority is undertaking to address non-compliance issues.

Reporting on the overall performance of the HCMM using KPI data

- 3.9 Under the initial HCMM contract, the Housing Authority maintained, but did not publish, KPI data around seven performance areas. Under the new set of contracts established on 1 November 2014, the KPI framework has been broadened. A total of 15 KPIs have now been put in place under five broad performance categories as outlined in Table 2 below:

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Table 2 Head Contractor Maintenance Model - KPI Framework Categories²⁴

Performance Category	Weighting
Timeliness: completion of work orders	30 per cent
Quality: compliance of work orders and program works undertaken	40 per cent
Cost: timeliness of invoices	5 per cent
Safety: compliance of works undertaken and in line with the Health and Safety and Environment Plan	20 per cent
Participation: compliance with meeting the agreed Industry Participation Plan, Indigenous Employment and Apprenticeship Plans	5 per cent

- 3.10 In its response to the Committee, the Housing Authority listed and described the fifteen KPIs that now operate under these five categories, along with a table displaying the '[p]erformance results during the life of the contract to date'.²⁵ This table is included below in Figure 1.

Figure 1 Head Contractor Maintenance Model - Current Performance Results²⁶

Head Management Contract	Oct - Dec 2014	Jan - Mar 2015	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015
KPI Results	Contract Year 1 Quarter 2	Contract Year 1 Quarter 3	Contract Year 1 Quarter 4	Contract Year 2 Quarter 1	Contract Year 2 Quarter 2
KPI 1 Health, Safety and Environmental Management Plan	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory Notices	100.0%	75.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hrs)	80.6%	78.1%	77.2%	88.4%	90.4%
KPI 4 Urgent (24 hrs)	66.9%	58.9%	60.5%	74.3%	78.2%
KPI 5 Priority (48 hrs)	73.1%	64.7%	62.9%	77.2%	85.1%
KPI 6 Void	7.7	16.7	16.1	13.0	11.1
KPI 7 Routine (28 days)	96.1%	84.9%	74.9%	82.7%	83.7%
KPI 8 Timeliness of Invoices	50.7%	57.6%	66.1%	91.4%	85.8%
KPI 9 Tenant Satisfaction*	88.2%	78.6%	84.4%	100.0%	79.3%*
KPI 10 Non defective works	98.2%	92.9%	96.6%	97.5%	98.0%
KPI 11 Improvement Notices	75.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance Notices	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry Participation Plan	75.0%	50.0%	100.0%	100.0%	100.0%
KPI 14 Indigenous Employment and Enterprise Plan	0.0%	25.0%	75.0%	100.0%	100.0%
KPI 15 Apprenticeship Plan	75.0%	25.0%	100.0%	100.0%	100.0%

* Prior to Year 2 Quarter 2, KPI 9 was a different KPI which was replaced by Tenant Satisfaction.

²⁴ Mr Paul Whyte, A/Chief Executive Officer, Housing Authority, Letter, 16 March 2016, p. 3 (see Appendix Four).

²⁵ *ibid.*, pp. 3-5.

²⁶ *ibid.*, p. 5.

- 3.11 The Committee acknowledges the work undertaken by the Housing Authority in establishing a broader KPI framework. However, the Housing Authority does not clarify in its response whether the information around KPIs provided to the Committee will form part of the ‘comprehensive summary’ of the performance of the HCMM that will be included in the next annual report.²⁷ The Committee is of the view that this material should be included, albeit with the following four enhancements.
- 3.12 Firstly, the explanations for the fifteen KPIs are generally clear, although there is some ambiguity around certain terms (e.g. KPI 10 ‘non-defective work orders’).²⁸ Such terms should be clearly defined for the benefit of those reading the Housing Authority’s future annual reports.
- 3.13 Secondly, the performance table does not clearly link each of the KPIs to their relevant overarching performance category (e.g. Timeliness, Quality, Cost, etc). This makes it more difficult to determine the extent to which a particular KPI might impact the overall performance rating of a head contractor.²⁹ Clearer definition of the linkage between overarching performance categories and individual KPIs is likely to enhance the value of any tabular data that is published.
- 3.14 Thirdly, current performance data is more meaningful when it is published alongside a KPI’s agreed target figure. In the example provided by the Housing Authority in Figure 1 above, the data would be of greater meaning to readers if the KPI target was included in the first column.
- 3.15 Finally, it appears that the data provided by the Housing Authority in Figure 1 are consolidated figures for the entire HCMM initiative. However, according to the Housing Authority’s most recent annual report³⁰, there are four separate head contracts established under the new arrangements with the following parties:
- 1) Lake Maintenance Pty Ltd – East and West Kimberly, Goldfields and Wheatbelt regions
 - 2) Pindan Contracting Pty Ltd – Mid West and Pilbara regions
 - 3) Programmed Facility Management Pty Ltd – South Metropolitan, South West and Great Southern regions
 - 4) Spotless Facility Services Pty Ltd – North Metropolitan and South East Metropolitan regions.

27 Mr Paul Whyte, A/Chief Executive Officer, Housing Authority, Letter, 16 March 2016, p. 2 (see Appendix Four).

28 *ibid.*, p. 4.

29 Noting the percentage weightings applied to each of the five overarching performance categories (as listed in Table 2 above).

30 Housing Authority, *Annual Report 2014-2015*, 15 September 2015, p. 84.

Chapter 3

- 3.16 Accordingly, the Committee believes that the quality of reporting will be further enhanced if KPI reporting is provided for each of the head contractors rather than in consolidated form. This provides the means by which targeted scrutiny would be available to Parliament and interested members of the public.

Finding 9

It is important the Housing Authority publishes meaningful data around the performance of the Head Contractor Maintenance Model in its annual report.

Recommendation 2

The Housing Authority publishes a comprehensive summary of the performance of its Head Contractor Maintenance Model each year in its annual report. The summary should include the following information:

- a clear explanation of each of the fifteen key performance indicators (KPIs);
- confirmation as to which of the five overarching performance categories (timeliness, quality, cost, safety, and participation) each KPI applies;
- publication of the target figure for each KPI along with the actual level of performance achieved; and
- a table for each of the four current head contractors indicating the level of performance against all 15 KPIs.

HON DR K.D. HAMES, MLA
CHAIRMAN

Appendix One

Letter to Housing Authority Dated 2 December 2015



Address all correspondence to the
Chairman, Mr S.K. L'Estrange, MLA

Enquiries to: Mr Tim Hughes
Telephone: (08) 9222 7496
Facsimile: (08) 9222 7804
Email: lapac@parliament.wa.gov.au
Web: www.parliament.wa.gov.au/pac

PUBLIC ACCOUNTS COMMITTEE

2 December 2015

Mr Paul Whyte
A/Director General
Housing Authority
Bag 22
EAST PERTH WA 6004

Dear Mr Whyte

Follow-Up of Response to Public Accounts Committee Report

I am writing in reference to the Public Accounts Committee's Report No. 8 of 2014 entitled *Review of Auditor General Reports No. 3 – Selected Reports 2012–2013* (the Committee Report), which looked at the Housing Authority's response to recommendations made by the Auditor General in his 2012 performance audit of the Head Contractor Maintenance Model.

In the Government Response to the Committee Report (copy of response attached), the Housing Authority made undertakings regarding certain actions it would take to improve the level of transparency around the outcomes of random audit samples on maintenance jobs valued at under \$500, and the overall performance of the Head Contractor Maintenance Model. The Housing Authority advised that its next Annual Report (2014–2015) would include detailed information in both areas.

The Committee has subsequently examined the Housing Authority's 2014–2015 Annual Report and has not been able to find reference to the additional information the Authority advised would be available.

Could you please provide the Committee with a written response demonstrating how the 2014–2015 Annual Report meets the undertakings made by the Housing Authority in the Government Response to the Committee's 2014 report.

The Committee would appreciate if you could provide this response by **Friday, 5 February 2016**. Your response can be mailed to Level 1, 11 Harvest Terrace, West Perth WA 6005, or submitted electronically at lapac@parliament.wa.gov.au.

Following consideration of your response, the Committee may contact you to seek further information by way of written questions or a public hearing. The Committee may also refer to your response in its next report to Parliament on agency responses to Auditor General reports.

If you are having difficulty meeting the Committee's deadline, or if you require any further information, please contact the Committee's Principal Research Officer, Mr Tim Hughes, on 08 9222 7496.

Public Accounts Committee

Please note that correspondence addressed to or received from the Committee becomes the property of the Legislative Assembly and cannot be forwarded to any other external party without the authorisation of the Committee.

You are also advised that FOI provisions cannot be applied to Committee documents, including your correspondence to the Committee, by virtue of Schedule 1, s.12 (c) of the *Freedom of Information Act 1992*, which holds that matter is exempt if its disclosure infringes the privileges of Parliament.

Thank you for your assistance with this matter.

Yours faithfully

MR S.K. L'ESTRANGE, MLA
CHAIRMAN

Encl.

2 of 2

Appendix Two

Email Response to Committee from the Office of the Director General (Housing Authority) – 10 February 2016

Committee, Public Accounts

From: Mitchell PENNY <[REDACTED]>
Sent: Wednesday, 10 February 2016 11:24 AM
To: Committee, Public Accounts
Subject: Follow-Up Response to Public Accounts Committee Report
Categories: Agenda item added to agenda, Agenda Items

Good morning

I note that the Housing Authority was due to provide a response to the Public Accounts Committee Report by 5 February 2016.

Please accept my apology that we have not met that due date.

The response is currently being finalised and it is hoped that it will be sent to you no later than Tuesday 16 February 2016.

Kind regards

Mitch Penny

A/Manager Ministerial Liaison | Office of the Director General
Housing Authority
12/99 Plain Street, East Perth WA

[REDACTED] www.housing.wa.gov.au



Follow us:   

Appendix Three

Transcript of Hearing with the Housing Authority - 16 March 2016

PUBLIC ACCOUNTS COMMITTEE

OTHER PROCEEDINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 16 MARCH 2016**

SESSION ONE

Members

**Mr S.K. L'Estrange (Chair)
Mr B.S. Wyatt (Deputy Chair)
Mr W.I. Johnston
Mr M.H. Taylor
Mrs G. Godfrey**

Hearing commenced at 10.03 am

Mr PAUL WHYTE

Acting Chief Executive Officer, Housing Authority, examined:

Mr GREGORY CASH

General Manager, Service Delivery, examined:

The CHAIR: On behalf of the Public Accounts Committee, I would like to thank you for your appearance today. At this stage, I would like to introduce myself and the other members of the committee present. I am Sean L'Estrange, the member for Churchlands and the committee chairman. To my left are fellow committee members Mrs Glenys Godfrey, the member for Belmont, and Mr Matt Taylor, the member for Bateman. Mr Johnston, the member for Cannington, may join us during the proceedings. Today's hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament.

Before we commence, there are a number of procedural questions I need you to answer. First of all, have you each completed the "Details of Witness" form?

The Witnesses: Yes.

The CHAIR: Thank you. Do you understand the notes at the bottom of the form?

The Witnesses: Yes.

The CHAIR: Did you each receive and read an information for witnesses briefing sheet regarding giving evidence before parliamentary committees?

The Witnesses: Yes.

The CHAIR: Do you have any questions relating to your appearance before the committee today?

The Witnesses: No.

The CHAIR: Mr Bill Johnston, the member for Cannington, has just arrived. He is also a member of the committee.

As you are aware, the committee wrote to you on 2 December 2015 in reference to the Housing Authority's response to the committee's eighth report of 2014 entitled "Review of Auditor General Reports No. 3: Selected Reports 2012 and 2013". In the government response to the committee report the Housing Authority made undertakings regarding certain actions it would take to improve the level of transparency around the outcomes of random audit samples on maintenance jobs valued under \$500 and the overall performance of the head contractor maintenance model. The committee subsequently examined the Housing Authority's 2014-15 annual report and was not able to find reference to the additional information the authority advised would be available. Following this, the committee sent you the letter dated 2 December 2015 seeking a written response that demonstrated how your 2014-15 annual report met the undertakings given by the authority in the government's response to the committee's report. The committee requested this information by 5 February 2016 and received an email from Mr Mitchell Penny, acting manager ministerial liaison, on 10 February 2016 advising that "the response is currently being finalised and it is hoped that it will be sent to you no later than Tuesday, 16 February 2016". Despite several subsequent attempts by the committee secretariat to contact Mr Penny via phone

and email, the committee received no further response from the Housing Authority. The committee has called you in today because it has been unable to elicit a satisfactory answer from the Housing Authority regarding this matter.

Before we commence with our questions, would you like to make a brief opening statement?

Mr Whyte: No, but to acknowledge that, in the first instance, the information required of us to submit the information through the annual report was an administrative error and in the second instance of not supplying this committee with the information requested was also an administrative error and was perhaps exacerbated by me being on leave.

The CHAIR: Thank you for that. I suppose my follow-up question is: does the Housing Authority intend to follow through with the actions indicated in the agency's response to the Public Accounts Committee report?

Mr Whyte: Yes.

The CHAIR: Thank you. By what means will transparency be improved in the areas we have identified and under what time frame?

Mr Cash: We will have our response to you today. It is being delivered as we speak, so we can table that with you today. In future we have made arrangement for both aspects to be included in our annual report and will be included from this year's annual report.

The CHAIR: Okay, thank you.

Mrs G.J. GODFREY: You said that it was due to you being the acting CEO. Is there not sufficient staff in your department to complete these ongoing administrative duties?

Mr Whyte: During that period of time over the Christmas period, I asked to personally oversee that response. The response that I got, I was not satisfied with at the time and I asked for further information to be provided and that was not provided within a timely manner.

Mr W.J. JOHNSTON: Was there a particular issue that led to the information not being included in the annual report?

Mr Whyte: The information was not included in the annual report because of an administrative oversight. There was not any technical issue or practical issue as to why it was not. The issue specifically with providing the information in early January was in relation to the information that was provided to me to provide to you covered two separate contracts. I was not satisfied that it addressed the issues directly that were requested of us. I believe that that information is now in hand.

Mrs G.J. GODFREY: On a follow-up to that: with this whole experience, has something been put in place, such as a KPI, so that this cannot happen again?

Mr Whyte: In terms of the preparation of our annual report, most definitely. We have a more thorough checklist of items to be included in the annual report. In terms of timely responses to this committee and to other parliamentary committees, that has also been put in place through a system.

The CHAIR: Thank you for appearing before the committee today. We do look forward to the response. If you could get that sent through to our secretariat, that would be much appreciated.

Mr Whyte: I can table that now for you if you would like.

The CHAIR: That is fine. Thank you for submitting the document, which we will review over the next week. If we need to do any follow-up, we will do that through the secretariat back to the Housing Authority.

A transcript of this hearing will be forwarded to you for correction of minor errors. Please make these corrections and return the transcript within 10 working days of the date of the covering letter. If the transcript is not returned within this period, it will be deemed to be correct. New material

cannot be introduced via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence.

Thank you once again for appearing before the committee today.

Hearing concluded at 10.11 am

Appendix Four

Housing Authority's Written Response – Presented to the Committee at the Public Hearing on 16 March 2016



Government of Western Australia
Department of Housing

OPENING DOORS
To Affordable Housing



Your Ref: 24-505199
Our Ref: 2604-2015

Mr Sean L'Estrange MLA
Chair
Public Accounts Committee
1, 11 Harvest Terrace
WEST PERTH WA 6005

Dear Mr L'Estrange

I refer to your correspondence with reference to Report No 8 entitled 'Review of Auditor General Reports No 3 – Selected Reports 2012-2013'. This report looked at the Housing Authority's response to recommendations made by the Auditor General in his 2012 performance audit of the head contractor maintenance model. I note your request that the Housing Authority provide a written response explaining how its 2014-15 report meets the undertakings it made; these being:

- To take steps to improve the level of transparency around the outcomes of random audit samples on maintenance jobs valued at under \$500, and the overall performance of the head contractor maintenance model
- To include in the Housing Authority's 2014-15 annual report detailed information in relation to both points.

I acknowledge the Housing Authority's failure to incorporate the required information into the annual report. The Housing Authority has taken steps to ensure the information is reported in future annual reports.

In relation to the information requested in response to recommendations three and four of the report, I advise the following:

Recommendation 3

Given that 35 per cent of maintenance work is on jobs valued at under \$500, the Housing Authority should include in its annual report the methodology and outcome of its random samples of maintenance jobs valued at under \$500

Original HA response: The Housing Authority accepts this recommendation and will provide methodology and the outcome of its audit of random samples of maintenance works valued under \$500 in the next annual report (2015). The annual report draft commences in March 2015 and is published in September 2015.

Updated response:

The Housing Authority transitioned from the initial Head Maintenance Contract arrangements during the 2014/15 financial year. The information requested therefore

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wa.gov.au

CHW000

is comprised of data which covers two separate head maintenance contract agreements, associated with two different contracts.

Head Maintenance Contract 1 (1 July 2014 – 31 October 2014)

The methodology for monthly physical and desktop compliance inspections on paid work orders per head contractor consists of selecting and verifying a sample of 5 typical repair works from licensed and general trades each month.

Inspections of typical repairs targeted are carried out on a random selection of high volume works costing less than \$400 for licensed trades and less than \$1,000 for general trades. Works targeted for inspection include noticeable rises in the volume of jobs for particular repairs, high risk items or aspects of repairs such as measurements and quantities.

Findings from inspections are managed on a monthly basis in consultation with the head contractors and other relevant parties to minimise any risk and identify areas for improvement.

For July to October 2014, 5,567 work orders less than \$500 were reviewed. A total of 554 were identified as non-compliant.

Head Maintenance Contract 2 (1 November 2014 - 30 June 2015)

Following transition and establishment of the new head maintenance contracts in November 2014, testing was temporarily placed on hold. A revised testing regime recommenced in February 2015 with monthly physical and desktop compliance inspections of work orders dating from the start of the contract.

These inspections consist of a minimum of 5% of paid work orders across all head contractors, and include targeted high volume work orders across all licensed and general trades. This information will be included in the next annual report (2016).

Recommendation 4

The Housing Authority should include in its annual report a comprehensive summary of the performance of the head contractor maintenance model. Using key performance indicator data obtained from its head contractors, this summary demonstrate the extent to which the model is driving better maintenance outcomes in the areas of timeliness, reduced costs and quality of workmanship

HA response:

The Housing Authority accepts this recommendation and will provide a comprehensive summary on the performance of the head contractor maintenance model in the next annual report (2016).

Updated response:

Under the initial Head Maintenance Contract the following key performance results were achieved:

Head Maintenance Contract 1 (1 July 2014 – 31 October 2014)

Performance results were:

Period	KPI 1 % Emergency	KPI 2 % After Hours	KPI 3 % Priority	KPI 4 % Routine	KPI 5 % Major Works	KPI 6 % Vacant	KPI 7 % Timeliness of Invoicing
Jul 2014	84%	37%	61%	72%	56%	81%	85%
Aug 2014	82%	35%	44%	51%	71%	60%	82%
Sep 2014	82%	41%	60%	76%	49%	66%	83%
Oct 2014	82%	80%	50%	73%	---	70%	90%

Head Maintenance Contract 2 (1/11/2014 – 31/12/2015)

With the move to new housing maintenance contracts on 1 November 2014 the Housing Authority applied an improved level of key performance monitoring and management. The new contracts have adopted the following key performance indicators:

- Timeliness (30%) - completion of works orders.
- Quality (40%) - compliance of works orders and program works undertaken
- Cost (5%) - timeliness of invoices.
- Safety (20%) - compliance of works undertaken and in line with the Health and Safety and Environmental Plan.
- Participation (5%) - compliance with meeting the agreed Industry Participation Plan, Indigenous Employment and Apprenticeship Plans.

The weighting of the KPIs is indicated as a percentage.

A summary of the Key Performance Indicators is as follows:

KPI 1 requires full HSEMP compliance including:

- Safety Inspections carried out for each category of work accord with safety inspections;
- Contractor has an internal corporate OHS representative with relevant training and qualifications;
- SWMS completed for all high risk construction work; and
- Take 5 safety check (or equivalent) completed for all SOR Work.

All contractors have fully complied.

KPI 2 requires provision of statutory notices to the Housing Authority. All contractors have fully complied.

KPI 3 requires contractors to attend and restore or repair life threatening safety issue within 8 hours of issue of the work order.

KPI 4 requires contractors to attend and restore or repair essential service(s) within 24 hours of issue of the work order.

KPI 5 requires contractors to attend and repair within 48 hours of issue of the work order.

KPI 6 requires contractors to attend and complete vacated maintenance activity within 14 days of issue of the work order. The KPI is represented as the average number of days taken by contractors to complete vacated maintenance.

KPI 7 requires contractors to attend and repair within 28 days of issue of the work order.

KPI 8 requires contractors to submit compliant payment claims within 14 days following completion of all maintenance works and services on a work order.

KPI 9 is a percentage of satisfactory or above ratings in sample tenant satisfaction surveys in each performance review quarter. Tenant surveys are randomly selected from paid work orders on a monthly basis.

Please note that KPI 9 has not always measured 'Tenant Satisfaction'. Previously the KPI sat under the category of 'Cost' and looked at pending invoices. This measured the percentage of work orders under 28 days where payment claims had been submitted against the number of work orders completed for the relevant performance review quarter. Essentially this KPI was a duplication of KPI 8 and measured the timeliness of contractors invoicing following completion of works.

KPI 10 is non-defective work orders as a percentage of total maintenance works and services works orders completed in the relevant performance review quarter.

KPI 11 is the number of improvement notices achieving the outcome sought to the satisfaction of the Housing Authority in the agreed time for completion against the number issued for the relevant performance review quarter. All contractors have fully complied.

KPI 12 is the number of compliance notices achieving the outcome sought to the satisfaction of the principal in the agreed time for completion against the number issued for the relevant performance review quarter. All contractors have fully complied.

KPI 13 requires the contractor has certified compliance with all aspects of the Industry Participation Plan. All contractors have fully complied.

KPI 14 requires the contractor to have certified compliance with all aspects of the Indigenous Employment and Enterprise Plan. All contractors have fully complied.

KPI 15 requires the contractor has certified compliance with all aspects of the Apprenticeship Plan. All contractors have fully complied.

Performance results during the life of the contract to date are as follows:

Head Management Contract	Oct - Dec 2014	Jan - Mar 2015	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015
KPI Results	Contract Year 1 Quarter 2	Contract Year 1 Quarter 3	Contract Year 1 Quarter 4	Contract Year 2 Quarter 1	Contract Year 2 Quarter 2
KPI 1 Health, Safety and Environmental Management Plan	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory Notices	100.0%	75.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hrs)	80.6%	78.1%	77.2%	88.4%	90.4%
KPI 4 Urgent (24 hrs)	66.9%	58.9%	60.5%	74.3%	78.2%
KPI 5 Priority (48 hrs)	73.1%	64.7%	62.9%	77.2%	85.1%
KPI 6 Void	7.7	16.7	16.1	13.0	11.1
KPI 7 Routine (28 days)	96.1%	84.9%	74.9%	82.7%	83.7%
KPI 8 Timeliness of Invoices	50.7%	57.6%	66.1%	91.4%	85.8%
KPI 9 Tenant Satisfaction*	88.2%	78.6%	84.4%	100.0%	79.3%*
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KPI 14 Indigenous Employment and Enterprise Plan	0.0%	25.0%	75.0%	100.0%	100.0%
KPI 15 Apprenticeship Plan	75.0%	25.0%	100.0%	100.0%	100.0%

* Prior to Year 2 Quarter 2, KPI 9 was a different KPI which was replaced by Tenant Satisfaction.

Should you have any further queries please contact Mr Greg Cash, General Manager Service Delivery, at the Housing Authority's head office on, [REDACTED] or at [REDACTED]

Yours sincerely

PAUL WHYTE
A/CHIEF EXECUTIVE OFFICER

16 March 2016

Appendix Five

Committee's Functions and Powers

The Public Accounts Committee inquires into and reports to the Legislative Assembly on any proposal, matter or thing it considers necessary, connected with the receipt and expenditure of public moneys, including moneys allocated under the annual Appropriation bills and Loan Fund. Standing Order 286 of the Legislative Assembly states that:

The Committee may -

- 1 Examine the financial affairs and accounts of government agencies of the State which includes any statutory board, commission, authority, committee, or trust established or appointed pursuant to any rule, regulation, by-law, order, order in Council, proclamation, ministerial direction or any other like means.
- 2 Inquire into and report to the Assembly on any question which -
 - a) it deems necessary to investigate;
 - b) (Deleted V. & P. p. 225, 18 June 2008);
 - c) is referred to it by a Minister; or
 - d) is referred to it by the Auditor General.
- 3 Consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine.
- 4 Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.
- 5 The Committee will investigate any matter which is referred to it by resolution of the Legislative Assembly.

Appendix Six

Hearings

Date	Name	Position	Organisation
16 March 2016	Mr Paul Whyte	A/Chief Executive Officer	Housing Authority
	Mr Gregory Cash	General Manager, Service Delivery	