

MANAGEMENT RESPONSE TO THE SOUTH AUSTRALIAN HOUSING TRUST MAINTENANCE CONTRACTS REVIEW – AUDIT REPORT

The recommendations of the Audit Report for the South Australian Housing Trust Maintenance Contracts Review are set out below, along with the Trust's response and proposed actions for addressing each of the recommendations:

| | Recommendation | SA Housing Trust response |
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| 1 | <p>The approach to vacancy maintenance to be adjusted to ensure that contracted vacant property turnaround times are achieved by:</p> <ul style="list-style-type: none"> a. removing major capital works associated with vacancy maintenance from the contract and tendered separately, including permitting head contractors to tender for the works b. changing the scope of vacancy maintenance works such that non-essential works are programmed and completed after a property is tenanted, within an agreed timeframe. | <p>The Trust will implement changes to its vacancy works processes and contracting arrangements to reduce the time taken to return properties to a tenantable standard, and the number of vacant properties. This will include releasing separate work packages outside the pre-existing head contractor arrangements to expand the range of contractors engaged in completing outstanding work orders. The Trust will also plan for non-essential maintenance works to be completed once new tenants are in place, rather than completing all work while a property is vacant. This will allow the Trust to relet properties sooner by reducing the quantity and complexity of work required during vacancy. The 2024-25 mid-year budget review provided \$37M over 5 years to support this service improvement.</p> |
| 2 | <p>Reviewing the Schedule of Rates to better align with market rates appropriate for social housing contracts, including travel, location and health and safety related loadings.</p> | <p>The Trust will review its Schedule of Rates and loadings to identify priority areas where rates are not aligned with market pricing.</p> <p>The Trust will implement changes to its contracting arrangements and sequencing of maintenance services to better reflect contemporary sector conditions and secure the trade capability and capacity it needs to deliver timely and quality maintenance services.</p> |
| 3 | <p>Increasing the Trust's annual maintenance budget to address the cost pressures associated with any change to the Schedule of Rates, changes in tendering processes and alternative delivery models for regional and remote Aboriginal communities.</p> | |
| 4 | <p>Reviewing the impact that the current Treasurer's Instructions and Financial Delegations have on the</p> | <p>The Trust will review its Financial Delegations and the Treasurer's Instructions to identify opportunities to expedite the delivery of its maintenance requirements by streamlining procurement, contracting and payment delegations.</p> |

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| | speed of delivery and recommend variations or exemptions that may be required. | |
| 5 | <p>Head contractors improving communication with Trust staff and customers regarding the progress of works on all jobs, through:</p> <ol style="list-style-type: none"> addressing administration and/or resourcing issues to provide timely and accurate updates in systems and responses to enquiries working collaboratively with the Trust to implement system and process improvements that address the identified issues. | <p>The Trust will, in partnership with Head Contractors, review the administrative and resourcing models under the contract to identify opportunities to realign resources to better support timely completion and communication regarding outstanding maintenance works.</p> <p>The Trust will review and identify strategies to improve its communication approach with head contractors, including opportunities to expand information sharing with trades about the Trust's technical specifications and compliance approach to reduce delays associated with remedial works.</p> <p>The Trust will explore options to improve proactive communication with tenants about the progress of their outstanding maintenance works. The Trust will streamline enquiry and escalation processes for customers, staff and the SA Ombudsman, so issues can be promptly addressed.</p> |
| 6 | <p>The Trust improving communications with key stakeholders, including:</p> <ol style="list-style-type: none"> proactive communications and feedback mechanism for tenants streamlining enquiry and escalation processes for internal staff and the SA Ombudsman introducing new channels with subcontractors (and head contractors) to facilitate sharing of technical specifications, compliance standards and receive trade feedback. | |
| NA | <p>The Report did not make any formal recommendations regarding subcontractor payments, having found no evidence that Head Contractors are operating outside of contractual requirements to pass through payments to Subcontractors for compliant claims within 10 business days. However, the report noted that the Trust and Head Contractors should promote dispute resolution mechanisms with</p> | <p>The Trust will work with Head Contractors to support increase education and awareness of compliance criteria for claims with subcontractors and available dispute resolution mechanisms to support better engagement and timely payment outcomes for small businesses engaged by head contractors.</p> |

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| | subcontractors, including supporting the engagement of the Small Business Commissioner. | |
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