

Media Release

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CHA pleased to see progress on state housing transfer

Community Housing Aotearoa (CHA) says the shortlisting of providers is a step forward in seeing state housing in Tauranga and Invercargill transferred to a new provider.

CHA Director, Scott Figenshow, says three of the four providers shortlisted by the Government are experienced New Zealand not-for-profit community housing providers with significant capacity. The providers shortlisted, proceed to the request for proposal stage of transferring 1124 state-owned homes in Tauranga and 348 in Invercargill to new providers.

“The shortlisted New Zealand community housing providers are a safe pair of hands with a proven history in providing warm, safe, dry social and affordable housing. They have a track record of providing healthy housing, positive experiences for tenants and working with communities.”

We have been critical of this competitive tendering approach, driven by price to be paid to Government. The process is extremely expensive for community housing providers and commercial partners, lacks defined outcomes for tenants and misses opportunities for wider community development. We’re worried that it doesn’t follow best practice- we think the Government knows this which makes it even more concerning.

While the quality of tenancy management and asset management services will form a significant part of the RFP evaluation process, the balance between the price paid to Government and level of service delivered to tenants will be commercially sensitive and not available for public review. So how will New Zealand tax payers know they are getting the best deal?

“In Tauranga, we understand that only one of the three short-listed parties could be selected. That creates one winner and two losers. The scale and depth of our housing crisis means that this process will waste the resources and skills of two providers. As a country we can’t afford to waste that capacity. The money that is being spent on this three year process could have built a lot of homes for a lot of families.

A goal of the social housing reform programme is to create a level playing field. Another goal is to test whether the not for profit community housing providers and private sector parties can deliver better outcomes than HNZA while still being sustainable in the long term. By picking only one winner it will be hard to test that.

We agree with Government that more investment in social and affordable housing is required. And it’s fine if some of that investment wants to come from overseas. But let’s not confuse the different goals of providing high quality tenancy management and better outcomes for tenants versus the profit maximising role of the investor.

Government have made it clear they see this process as the way forward to building sustainable community housing providers and growing their capability. These are the

providers who have been putting the hard yards in for years. They are New Zealand's registered and proven community housing providers who are still not seeing the much touted 'investment approach' delivering results on the ground for vulnerable families.

And we hear, loud and clear, that New Zealanders want to see the housing stay under New Zealand stewardship as it means better outcomes for state housing tenants."

If there isn't a stronger focus on the tenant and communities in this process, New Zealand will end up with the same shocking quality of social housing stock just managed by a different landlord.

We anxiously await the Government's decisions of the confirmed providers in August.

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Contact: Scott Figenshow, Director, Community Housing Aotearoa by arranging a time with Angie Cairncross, communications coordinator at 027 535-7794.