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CHA calls for mind shift from government in housing debate

The group representing community housing providers says the government focus needs to shift from asset sales to investment in families and healthy communities.

Community Housing Aotearoa director Scott Figenshow says the Salvation Army's announcement today that it no longer looking at purchasing state houses is no surprise.

"Many in the sector have been saying that the only way they can make the sums work is if they are transferred at close to nil value. This will provide equity to the sector from which it can leverage regeneration, and deliver better outcomes for tenants and families. Our members are very concerned about the families they work with, and are only interested if they can do a better job than HNZC.

"At the moment the sums simply don't stack up. Last month the Government confirmed $1.2 billion of deferred maintenance on the state housing stock. Why would a provider want to purchase a liability?"

Scott Figenshow says it's a sign of maturity for the sector that the Salvation Army had the resources to conduct a very thorough analysis.

"There is enough information now for the government to adjust its financial approach to one based on delivering good quality homes and strong, healthy communities," he says.

CHA's members have been saying for some time that they are interested in delivering improved outcomes for families and communities.

"What the sector sees is it growing from roughly 5,000 homes to say 60,000 homes – and as a sector, it would be of equivalent size to Housing New Zealand. That would double the amount of social and affordable housing across NZ. The community housing sector would be delivering across the housing continuum – everything from emergency housing, to secure tenure, affordable rental with wrap around services, and on to rent to buy and shared homeownership."

In order to achieve that the Government needs to partner with the community housing sector, and that means investing in the sector.

"In Housing New Zealand's Statement of Intent, it will pay $112 million in income tax and $108 million in dividend to the Crown in July. The government says it's not about the money, so why can't that $220 million be invested into growth of the community housing sector, each year for the next 20 years?" he says.

"We need a partnership with government based on delivering better outcomes for families and communities. That is the dividend we should be measuring, not a financial dividend to the crown. We need certainty of a 10-20 year pipeline of resources – including for support services- that we can match in order for partnerships to work."

Scott Figenshow says Budget 2014 did not provide any funding to increase affordable or social housing supply. It introduced $10 million for the year to start 1 July 2015- $10 million a year reduced from $47 million a year. We have not heard of confirmation how this will be delivered.

There was also a promise that instead of capital grant funding the community housing sector would have access to both Income Related Rent and capital in the form of stock transfers.

"While access to Income Related Rents has occurred, there have been no stock transfers at all. And while we do see the Ministry of Social Development trying to modify the income related rent subsidy to work better, it will need matching from other capital funds to work, especially in high cost markets like Auckland," he says.

Scott Figenshow says what is required is a cross party agreement on housing, and a 20 year strategy to back it up. "We need to see a community housing sector of equal size to HNZC – not a reshuffling of the current houses."

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