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Greater clarity needed for housing transfer in Invercargill and Tauranga - CHA

The Government has listened to some of the concerns raised by Community Housing Aotearoa surrounding the process of transferring about 1500 Housing NZ homes in Invercargill and Tauranga to community housing providers.

However Director Scott Figenshow says the Government's just-released Expressions of Interest documents for the transfer has also revealed some outstanding issues, including the outcomes for tenants.

"The solution to that is to get the outcomes right. Today's announcement only goes part way on that journey and we would expect the Request for Proposals stage of the process to improve on that clarity. We have a high-performing community housing sector right here in New Zealand that is ready to deliver but the Government needs to get the settings right."

On a positive, Scott Figenshow says CHA is very pleased to see the document includes a series of tenant interviews on their aspirations for future housing.

"This is a first step in our call for greater tenant engagement that focuses on truly understanding and meeting resident needs.

"We hope this will become recognition that a successful stock transfer will activate lots of housing choices including secure tenure rental, supportive services, and pathways to homeownership. The next step would be for Government to see the importance of recognising the fundamental right to housing and shift their approach to one of community investment."

He says CHA asked the Government for a more open dialogue and they have responded with interactive supplier briefings. The closing date for responses of February 9 also provides sufficient time.

CHA also asked for long-term certainty, and the 25 year term for the contracts is moving in the right direction. However he says there is still concern that achievable outcomes over that period have not yet been set. This is recognition that building sustainable Community Housing Providers and growing their capability and tenant engagement are at the top of the Government's objectives.

“Government appears to be putting effort into better understanding the opportunity to build equity in the community housing sector through their clarification of the Crown’s retained investment. But we’re not 100% sure yet how this will work in practice when the desired outcomes for tenants remain unstated.”

There is also a growing Government acknowledging that there is a mismatch between the nature of social housing demand and the current properties, he says.

“CHA is hopeful that the next stage clarifies how the crown’s retained investment can encourage regeneration to meet those needs.”

However, Scott Figenshow says there is still a lot more clarity needed on what the outcomes for tenants are, and how the housing provider will be incentivized to reach the outcomes.

“In the ‘Our Place’ plan we presented to Government, we suggested that the overarching outcomes should be eliminating housing-related respiratory illnesses, childhood poverty, overcrowding, and homelessness; and ensuring security of tenure.

“We don’t see that level of clarity yet. You’d make investment decisions that commission those outcomes, rather than rely on a property transaction approach if those were clearly the goals.”

He says it is particularly concerning that the ‘Community Links’ part of the evaluation criteria makes up only 9% of the weighting of the evaluation, compared to 46% for Governance and Financial Strength.

“These are certainly critical components, but we would have thought they are minimum requirements. We are worried that they don’t align with the higher order goals the Government says it wants to achieve. At its worst these criteria could indicate that only proposers who want to operate the existing housing under a facilities management approach might be preferred.

“We’re doubtful that the evaluation criteria gives enough confidence to the New Zealand-based not-for-profit community housing sector bidder, that a tenant and community focused approach will win the day over a price approach.”

The document also confirms the Government is looking for a single transaction in each of Tauranga and Invercargill, which means at best the process will help grow only a few community housing providers.

“This is a narrow approach and we still don’t see the consistency of funding available for the many providers working across New Zealand.”

He says CHA wants the next stage of the process to address these outstanding issues.

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