



**PSA Submission to the Environment
Committee
Kāinga Ora – Homes and Communities Bill**

11 July 2019

PSA submission to the Environment Committee on the Kāinga Ora – Homes and Communities Bill

About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 72,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.

People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.

Our interest in housing

1. The PSA has members working in housing-related policy and delivery services across our union. We have a growing membership at Housing NZ - currently numbering approximately 500 members – whose views are represented in this submission. We also have members undertaking housing-related work in MSD, MBIE, local government and the community sector.
2. Our members across the union have an interest in strong, sustainable and well-resourced public services that support the needs of our communities and that provide decent working conditions for those people who deliver those services. Government funded and provided housing is a core public service that contributes to strong communities.
3. In a member survey at the end of 2016 PSA members ranked housing as one of their most pressing concerns going into the 2017 election. Subsequent surveys of members last year revealed high levels of stress, anxiety and hardship arising from the high cost of housing, insecure tenure, and the poor quality of some housing.
4. The PSA considers a reinvigoration of New Zealand's public housing approach is needed, which includes significant capital investment in the provision of housing. Public and social housing are critical components of our social and economic infrastructure and play a vital role in ensuring the health and wellbeing of our citizens and our communities. Decent,

affordable and secure public housing can help overcome inequalities and contribute to thriving communities.

5. In 2017 the PSA published [*Progressive Thinking – ten perspectives on housing*](#) – a booklet that presented progressive solutions to the housing crisis and in which we argued for a “bold reimagining of the way that we organise, plan and deliver housing in New Zealand”. We are disappointed that we have yet to see this from the new Labour-led Government.
6. In developing this submission, we sought the views of PSA members working at Housing NZ through an online survey and this submission reflects and in places quotes from their responses.

Comments and recommendations

Overall objectives

7. We welcome the commitment from this Government to strengthen the role of central government in the planning and co-ordination of housing and urban development. The merger of Housing NZ, HCL and parts of the Kiwibuild programme into one agency with housing and development powers is a positive step forward towards a more co-ordinated approach from central government. We look forward to the accompanying piece of legislation to see the detail of the new agency’s development powers.
8. Most of the Housing NZ members surveyed as part of this submission thought that the creation of Kāinga Ora-Homes and Communities would help address current housing challenges, and overwhelmingly supported the clause 12 objectives statement.
9. Some members commented on the benefits of merged services – albeit with caveats:

“Like any new changes this is a challenge in itself, but makes sense to amalgamate services to deal with housing for all NZers.”

“I think it will centralise where you go for affordable housing.”

“In principle a ‘whole of housing system’ approach is a good idea, but the extent to which KO will help is entirely contingent on how it’s implemented and what powers it is given.”

10. Another member was concerned about the costs associated with restructuring and the inevitable impact that this will have on productivity:

I’m concerned that the overheads of creating a new agency will slow the existing momentum we have built up at Housing New Zealand.

11. While another highlighted the need to sufficiently resource the agency:

I would like to see appropriate resources provided to deal with this growth.

Māori interests

12. The PSA strongly welcomes the commitment expressed in clause 4 of the bill to “consider and provide for Māori interests”, in particular the requirement in 4(a) that the new agency “uphold the principles of the Treaty of Waitangi (Te Tiriti o Waitangi)”. The union has long

advocated for the inclusion in legislation of the Te Tiriti principles, and it is pleasing to see that they are central to this piece of bill. This is particularly important given the role of the agency in the development of land.

Membership of the board of Kāinga Ora-Homes and Communities

13. Clause 10(2) provides a useful list of the desired expertise, knowledge and experience of future board members, and we particularly welcome the inclusion of people who can represent the perspectives of public housing tenants.
14. We question however the rationale behind clause 10(2)(g) which recommends members with expertise and experience in “business generally”, particularly given that the perspectives of the construction industry and developers are covered by clauses 10(2)(a) and (e) respectively. Membership of the board could more usefully be strengthened by people with experience in community development and citizen engagement.

Recommendation

1. **Delete** clause 10(2)(g) and **replace** with new clause 10(2)(g) and (f) “community development” and “citizen engagement”.

Functions and operating principles

15. The PSA supports a significant increase in government investment in public housing. The bulk of this investment should go to the building of quality state housing. However, the state should also work collaboratively with local government, Iwi, other Māori organisations and the community non-profit sector to support both building and tenant care programmes.
16. We are disappointed that this bill doesn’t signal an expansion of the state housing stock, but instead seems to retain the residualist approach to state housing that has characterised central government public housing policy for a number of years. This is highlighted by clause 13(1)(a) of the bill which stresses that the function of the new agency is to “provide rental housing, principally for those who need it *most*” (emphasis added).
17. The residualist approach to public housing provision has restricted access to state housing to only those in the very highest need, leaving others to rely on a private housing market which has proved to be inadequate, and in many cases, exploitative. The impact of this approach has been growing homelessness, growing numbers of people on Housing New Zealand waiting lists, and growing levels of housing-related poverty and inequality.
18. Some of our members commented on this:

We need to deresidualise the state housing function and massively expand our state housing stock. The ongoing promotion of homeownership is simply exacerbating current problems and is not a logical policy priority when half the population will be renters in perpetuity. We should be focussed on making renting a desirable option for anyone, not only the poor.

I am concerned about the blurring of lines between social 'state' housing and affordable housing & the risks that change in policy could see a future reduction in state homes.

19. Another commented on the need to expand the role of those working at Housing NZ (and the new agency once established) to provide more comprehensive and proactive support:

I would like to see the appropriate resources given for staff to be able to assist the vulnerable and assist our customers in a more proactive manner.

20. The PSA strongly supports the operating principles expressed in clause 14, and in particular the responsibility of Kāinga-Ora to contribute to the “social, economic, environment, and cultural well-being of current and future generations” (14(1)). In order to achieve this however, we consider that the new agency will need to significantly increase the supply of affordable state housing.

Recommendations

2. **Remove** from clause 13(1)(a) the words “principally” and “most”;
3. **Insert** the word “affordable” into clause 14(1)(a).

21. The clause 14 function “Housing supply meets need” is silent on the role of the new agency to adjust supply to meet need. Clauses 14(e) and (f) under the function “Housing supply meets need” addresses the upgrading and management of existing housing stock (14(e)) and a requirement to provide mixed housing (14(f)). Neither clause addresses how Kainga Ora will ensure need is met or charges the agency with increasing supply to meet meet.

Recommendations

4. **Insert** a new operating principle, that of “increasing housing supply to meet need”, into the clause 14 “Housing supply meets need” functions.

Part 1 (8) – Technical redundancy

22. The effect of clause (9) (1) is currently unclear and needs to be amended to ensure that it is consistent with section 61(a) of the State Sector Act (1988). The bill needs to be explicit that technical redundancy will only apply to people who have had seamless and continuous employment between the new and old agencies and ensure that employees receive redundancy payments in the case of genuine redundancy.

Recommendation

5. Amend clause (9)(1) to ensure consistency with section 61(a) of the State Sector Act (1998).

For further information, please contact:

Sarah Martin
Senior Advisor
Policy and Strategy
New Zealand Public Service Association
PO Box 3817
Wellington 6140

Phone: 04 816 5040

Email: sarah.martin@psa.org.nz

