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KEI MUA I TE AROARO O TE RŌPŪ WHAKAMANA  
I TE TIRITI O WAITANGI

BEFORE THE WAITANGI TRIBUNAL

WAI 2750

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IN THE MATTER OF                    the Treaty of Waitangi Act 1975

AND

IN THE MATTER OF                    Kaupapa inquiry into claims concerning  
Housing Policy and Services

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CROWN BUNDLE OF EVIDENTIAL FACT SHEET FOR  
TE TAI ŌHANGA - THE TREASURY  
5 Poutū-te-rangi | March 2021

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<b>RECEIVED</b> Waitangi Tribunal
<b>8 Mar 2021</b>
Ministry of Justice WELLINGTON

**CROWN LAW**

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**EVIDENTIAL FACT SHEET**  
**SOCIAL HOUSING REFORM PROGRAMME**

**(TE TAI ŌHANGA – THE TREASURY)**

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1.	<b>Basic information</b>	<p><b>Title of policy / programme:</b> Social Housing Reform Programme (<b>SHRP</b>)</p> <p><b>Year introduced:</b> 2010</p> <p><b>Still current?:</b> In part: Institutional arrangements such as the purchaser/provider split are still in place but the allocation of responsibilities has changed with the creation of the Ministry of Housing and Urban Development (<b>Te Tūāpapa Kura Kāinga</b>) (in Oct 2018) and Kāinga Ora – Homes and Communities (<b>Kāinga Ora</b>) (in Oct 2019). Transfers of properties under the SHRP were discontinued in December 2017 to fulfil an election commitment made by the incoming Government.</p> <p><b>Administering agency(ies):</b></p> <p>Following the formation of the Ministry of Business Innovation and Employment (<b>MBIE</b>) on 1 July 2012,<sup>1</sup> MBIE led the development of the SHRP as the ministry responsible for housing policy and the Community Housing Regulatory Authority (<b>CHRA</b>).</p> <p>The Ministry of Social Development (<b>MSD</b>) was involved as public housing purchaser and maintainer of the public housing register.</p> <p>The Treasury administered social housing transfers under the SHRP.</p> <p>Housing New Zealand Corporation (as it then was) (<b>HNZC</b>) was involved as the previous owner of the public housing source.</p> <p><b>High level summary of policy/programme:</b></p> <p>This programme was developed by MBIE with the purpose of separating purchasing and supply of social housing services to improve access to social housing and, thereby, to ‘improv[e] the lives of vulnerable New Zealanders by getting them into housing which meets their needs for the duration of that need’.<sup>2</sup> This was to be achieved through encouraging and developing a more diverse ownership of social housing that would be more innovative and responsive to tenants and communities.</p> <p>The SHRP:</p> <ul style="list-style-type: none"> <li>• established the social housing purchasing function and housing needs assessment within MSD;</li> <li>• created eligibility of Community Housing Providers (<b>CHPs</b>) for Income-Related Rent Subsidies (<b>IRRS</b>);</li> </ul>
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<sup>1</sup> MBIE was formed on 1 July 2012 as a merger of the Department of Building and Housing (DBH), the Department of Labour, the Ministry of Economic Development and the Ministry of Science and Innovation. Prior to July 2012, housing issues fell within the bailiwick of DBH, including work on development of the SHRP.

<sup>2</sup> Regulatory Impact Statement, Legislation to support Social Housing Reform, (Delium Document ID: **HUD.005.4173**).

		<ul style="list-style-type: none"> <li>• transferred housing policy functions to MBIE (and subsequently to Te Tūāpapa Kura Kāinga from Oct 2018);</li> <li>• established the CHRA;</li> <li>• transferred housing from HNZC to Tāmaki Regeneration Company (<b>TRC</b><sup>3</sup>) (2,707 lettable units and 163 vacant properties) in 2015 and to Accessible Properties Ltd (1138 properties) in 2017.</li> </ul> <p><b>Other agencies involved in development, implementation, or ongoing administration:</b></p> <p>MSD, The Treasury, HNZC</p>
2.	<p><b>Description of Policy / Programme</b></p>	<p>In April 2010 the Housing Shareholders Advisory Group (<b>HSAG</b>) recommended a larger role for community housing providers, including ownership of more houses.<sup>4</sup> In December 2010, Cabinet broadly endorsed the HSAG report and agreed to “greater involvement of third party providers of social housing”.<sup>5</sup></p> <p>As a consequence:</p> <ol style="list-style-type: none"> <li>a. on 9 December 2012 the Community Housing Regulatory Authority (CHRA) was established within MBIE;</li> <li>b. on 14 April 2014 the Social Housing Reform (Housing Restructuring and Tenancy Matters Amendment) Act 2013 came into force which provided for registered CHPs to become eligible for IRRS and for the MSD to take over the assessment of eligibility for social housing (previously done by HNZC);</li> <li>c. in May 2014 the ‘Establishment Unit’ (later the ‘Transactions Unit’) was established within the Treasury which would lead transfers of social housing stock to third party providers of social housing;</li> <li>d. in April 2015 the Government announced the decision to transfer 2800 HNZC houses and tenancies in Tāmaki to the TRC with the intention that in the following 10 to 15 years, there would be about 7500 new houses built in the place of 2500 existing ones with over half of the new houses to be sold to help offset construction costs, and the remainder to be retained as social housing;<sup>6</sup></li> <li>e. on 6 May 2015 Tauranga and Invercargill were announced as first areas for social housing transfers to non-government providers with Information Memoranda launched for market soundings in those centres in August 2015;<sup>7</sup></li> </ol>

<sup>3</sup> Tamaki Redevelopment Company Ltd (trading as Tamaki Regeneration Company) is owned jointly by the Government and Auckland Council.

<sup>4</sup> [Home and Housed - a vision for social housing in New Zealand \(treasury.govt.nz\)](#) (Delium Document ID: **MSD.003.8932**).

<sup>5</sup> [Title \(msd.govt.nz\)](#) (Cabinet Social Policy Committee SOC (10) 128) (Delium Document ID: **MSD.003.6172**).

<sup>6</sup> [Way forward for Tāmaki regeneration announced | Beehive.govt.nz](#) (Delium Document ID: **MIS.001.0013**).

<sup>7</sup> [Tauranga Information Memorandum](#) (Delium Document ID: **TRE.002.5276**) and [Invercargill Information Memorandum](#) (Delium Document ID: **TRE.002.5336**).

		<p>f. on 18 February 2016 Transactions mandate legislation was passed, enabling Ministers to complete social housing transfers;</p> <p>g. on 31 March 2016 the Tāmaki social housing transfer to TRC was completed;<sup>8</sup></p> <p>h. in late July 2016, the Transactions Unit took market soundings on a possible transaction in Horowhenua and Ōtaki. A decision to proceed with procurement was dependent on the outcome of consultation with iwi and hapū;</p> <p>i. on 12 August 2016 Accessible Properties Ltd was announced as the preferred provider for Tauranga transfers;</p> <p>j. on 24 November 2016 the Government announced a potential transfer of up to 2,500 social houses in Christchurch;</p> <p>k. in November 2016 Ministers decided not to proceed with a transaction in Horowhenua and Ōtaki due to the small scale of the transaction, iwi being yet to settle, changes in local government leadership, and the Government was not convinced a transaction would meet the SHRP objectives;</p> <p>l. in December 2016, following unsolicited interest in an Invercargill transfer, a request for proposal was issued for an Invercargill transfer;</p> <p>m. on 1 April 2017 the Tauranga transfer was completed;<sup>9</sup></p> <p>n. on 10 April 2017 Expressions of Interest were sought for a Christchurch transfer;</p> <p>o. on 20 June 2017 the Christchurch shortlist was announced;<sup>10</sup></p> <p>p. on 30 June 2017 a proposal was received for an Invercargill transfer;<sup>11</sup></p> <p>q. on 20 December 2017 the Government announced it was stopping the sale of state houses including the Christchurch properties, with the then Minister for Housing and Urban Development announcing that the Government “is committed to not only keeping these houses within state ownership, but increasing the number of state houses”.<sup>12</sup></p> <p>The changes made under the SHRP underpin and enabled many subsequent initiatives undertaken in the provision of social housing including, for example, provided impetus for the regeneration of state housing areas (Auckland Housing Programme and the Eastern Porirua Regeneration Project) and the Crown’s housing partnership with Ngāti Toa Rangatira. It has also, through the separation of purchaser and provider roles, provided greater transparency over the performance of the social housing sector,</p>
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<sup>8</sup> [Tāmaki Regeneration Company excited about transfer of homes | Tamaki Regeneration](#) (Delium Document ID: **MIS.001.0002**).

<sup>9</sup> [Tauranga sale and purchase agreement](#) (Delium Document ID: **TRE.002.5350**) and see [New landlord for 1140 Tauranga HNZ tenants](#) (Delium Document ID: **MIS.001.0007**).

<sup>10</sup> [Shortlist announced for Christchurch social housing transfer](#) (Delium Document ID: **MIS.001.0010**).

<sup>11</sup> Officials were working on appointment of a preferred bidder for an Invercargill transfer prior to cessation of work on SHRP transactions in December 2017.

<sup>12</sup> [Government stops the sale of state houses](#) (Delium Document ID: **MIS.001.0004**).

		where third party CHPs have become an important part of social housing delivery.
3.	<b>Outline of the process to develop this Policy / Programme</b>	<p>In February 2010, the Ministers of Finance and Housing established a Housing Shareholders Advisory Group (the HSAG). The HSAG engaged with key stakeholders and interest groups across the country on the findings and recommendations in its report. In October 2010, the HSAG reported the outcome of their engagement to Ministers and reaffirmed their recommendations in light of the strong endorsement of the vision and strategic direction outlined in their report.<sup>13</sup></p> <p>The SHRP programme was developed as a response to the recommendations of the HSAG report<sup>14</sup> and involved consultation with multiple Crown agencies including the Treasury, State Services Commission, MSD, HNZC, Te Puni Kōkiri, Pacific Island Affairs, Department of Internal Affairs and Women’s Affairs, as well as with the government caucus and other parties represented in Parliament.<sup>15</sup></p>
4.	<b>Aims or Objectives of the Policy / Programme</b>	<p>Objectives of the SHRP were to implement a new direction for the social housing sector, transforming the future delivery of social housing:<sup>16</sup></p> <ol style="list-style-type: none"> <li>a) ensure that people who needed housing support could access it;</li> <li>b) ensure that social housing was of the right size and configuration, and in the right areas, for those households which needed it;</li> <li>c) help social housing tenants to independence;</li> <li>d) encourage and develop a more diverse ownership of social housing, with more innovation and responsiveness to tenants and communities; and</li> <li>e) help increase the supply of affordable housing, especially in Auckland.</li> </ol>
5.	<b>Outline of monitoring and evaluation built in to Policy / Programme</b>	<p>Monitoring and evaluation were built into the system arrangements put in place by the SHRP:</p> <ul style="list-style-type: none"> <li>• MBIE led the monitoring and evaluation of the overall social housing reform work;</li> <li>• The Community Housing Regulatory Authority oversees the operation and performance of community housing providers including those managing properties transferred from HNZC;</li> <li>• TRC is also separately monitored by Te Tūāpapa Kura Kāinga as a Schedule 4a Crown Company;</li> </ul>

<sup>13</sup> Cabinet Social Policy Committee SOC (10) 128 at [9]. (n 5 above).

<sup>14</sup> *Home and Housed* – n 4 above.

<sup>15</sup> Cabinet Social Policy Committee SOC (10) 128 (n 5 above) at page 2.

<sup>16</sup> CAB Min (14) 39/22 (Delium Document ID: **MSD.004.0435**).

		<ul style="list-style-type: none"><li>• Te Tūāpapa Kura Kāinga monitor Accessible Properties Ltd compliance with its obligations under the Capacity Contract (in regard to the Crown Retained Interest in the properties);</li><li>• HUD provide monthly reporting on the performance and delivery of social housing.</li></ul>
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