

Submission to the independent review of Kāinga Ora

March 2024

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 almost 95,000 members. We are a democratic and bicultural organisation representing people working in the public service (including departments, crown agents and other crown entities, and state-owned enterprises); local government; the public health sector; tertiary education institutions; and non-governmental organisations working in the health, social services and community sectors.

The PSA represents over 1,500 Kāinga Ora workers, around half of Kāinga Ora's total staff.

About this submission

This submission was developed through discussion among PSA delegates working at Kāinga Ora, and reflects their feedback about the organisation and their work.

This written submission reiterates and builds on the feedback provided to the members of the independent panel at our meeting on 4 March 2024. It primarily addresses the following parts of the review's terms of reference:

- **Tenancy management:** the performance of Kāinga Ora as a tenancy manager, including consistency with a goal of delivering better outcomes for tenants
- **Kāinga Ora remit** whether the remit of Kāinga Ora, including in legislation, regulation, Government policies, letters of expectation, statements of performance expectations and Ministerial directions, is conducive to good performance of its core functions
- **Institutional arrangements to incentivise better performance:** institutional arrangements for Kāinga Ora functions, including operating scope, organisational form and structure, governance, and subsidy and funding arrangements with the Crown, that will encourage better performance and reduce fiscal impacts on debt and OBEGAL.

Overall comments

We appreciate the opportunity to provide our feedback to the independent review, and we thank the panel members for taking the time to meet and engage with us.

First of all, we believe that it's extremely important that the government invests in fundamental infrastructure, including state housing. To fail to do would be irresponsible.

The Minister of Housing has said publicly that this review is taking place because of concerns over its financial performance, and this review also occurs within a context of widespread cost-cutting across the public sector. The PSA does not accept that cuts to public services, including services delivered by Kāinga Ora, are the right course of action. While it may look attractive to the Government to get costs off its books, our view is that more, not less funding is required to ensure that public services can meet the challenges of the future, such as a growing and ageing population, the need to reduce emissions and address our infrastructure deficit.

Our members believe that the way Kāinga Ora delivers social housing support has improved significantly over time, and that the social outcomes gained from investment in supporting sustainable tenancies are more than worth the up-front cost.

Much of the work that Kāinga Ora is doing in construction is transformational, and will take years of effort to have significant, but crucial, benefits for our country. Decades of under-investment in state housing takes a long time to repair, so it's not unexpected that this is taking time.

At the same time, we believe those delivering public services should have a say about how services are delivered. Members are best placed to know how savings and changes can be made, so it's important that if any changes arise from this review, workers are given opportunities to share their expertise in that process for it to get the best outcomes – in a much more comprehensive way than has been possible in this short review period so far.

Feedback on specific areas

The value of investing in stable accommodation

The expansion of operations outlined in the Kāinga Ora Act 2019 sought to increase the role of Housing New Zealand from a state landlord to a broader remit including community developments, sustaining tenancies, and providing greater access to affordable housing. Kāinga Ora ensures New Zealanders with the greatest need have access to stable accommodation.

Approximately 50% of Kāinga Ora customers (or tenants) are children. Instability in maintaining tenancy is a factor in children's attendance at schools and continuity of education and successful outcomes; these educational concerns have frequently been identified as important matters for the current Government, and we absolutely agree with them on this.

Kāinga Ora PSA members recognise that the children in the care of Kāinga Ora customers need stability and certainty in order to thrive and grow to fully participate in and contribute to New Zealand's society (and economy) as our bridge to the future.

For many of our tenants, Kāinga Ora is the landlord of last resort. If tenants aren't housed by Kāinga Ora, they are likely to be homeless. Issues that aren't resolved with the help of Kāinga Ora staff will often have to be dealt with at a more serious level by another area of government (such as, MSD, Police, Justice, Te Whatu Ora). This often comes at a higher social and financial cost.

Housing is an investment that pays off in a range of ways across the population. It's widely accepted that access to healthy housing improves outcomes in areas like health, education and justice. Equally, any savings made by reducing Kāinga Ora's capacity to deliver housing services would have costs to the Government and to society overall through the negative social outcomes that would pop up somewhere else across the system.

Tenancy management and delivering outcomes for tenants

People working in Kāinga Ora's tenancy services are not just property managers, they're providers of a range of social services including:

- facilitating connections to other services such as budget advice, and coordinating with other services, and empowering tenants to help themselves to access those services
- engaging with tenants who are in difficult situations in relation to mental health, which requires skill, empathy and resources
- building trusting relationships with tenants
- working in collaboration with other government agencies on issues relating to housing (for example, around emergency housing that falls outside of the Kāinga Ora portfolio).
- addressing and resolving issues, including attending mediation and preparing cases.

This work is inherently complex and individualised in many situations. For example, replacing old stock requires moving people out of their home, while enabling their children to keep going to the same school and the family to maintain community connections. Enabling this type of work requires resourcing and investment in the people delivering it.

The way that housing services are provided to customers have improved since the establishment of Kāinga Ora. Practice within Kāinga Ora has become more tenant-centric than it was under Housing New Zealand. We're more responsive and flexible in how we work with clients; we now meet tenants where they are (whether that be in emergency housing, hospitals, etc). We get better information through more comprehensive pre-placement interviews.

Increased diversity in the staff is meaning that we can connect better with communities, and we are more active in communities. Our members believe that the culture at Kāinga Ora is vastly improved over its predecessor, and that this is better for communities, tenants and workers.

Caseloads for Housing Support Managers

The establishment of Kāinga Ora aimed to address reduced access to housing against a growing wait list for access to affordable homes for renters and aspiring homeowners. To achieve this, Kāinga Ora recruited additional Housing Support Managers (HSMs) to support the shift from a centralised operating model to a region based operating model, suited to matching need to housing availability.

This lowered the ratio of customers to HSMs; enabling a closer relationship has improved coordination of resources and tailored delivery of support to customers, recognising that some customers have complex needs. This lower ratio better enables HSMs to:

- respond to issues faster and more comprehensively (both in terms of maintenance issues and issues relating to tenant behaviour)
- have a greater depth of knowledge about the dynamics of Kāinga Ora communities at the street level, to better match people to homes
- provide more complex support to tenants.

The expanded role of HSMs has helped maintain continuity of customers' tenancies and access to other social agencies through better visibility and recording of needs, often resulting in referrals to other agencies that provide complementary services. This includes the ability to stage early intervention where issues of concern are raised and direct resources to managing customers' needs before these become critical.

Worker involvement in identifying improvements

There is always room for improved efficiency in any organisation, and Kāinga Ora is no exception. There will be changes Kāinga Ora can make to the way it works to be more efficient.

These types of efficiency gains aren't usually made by large-scale reviews, significant restructurings or downsizing. They're made by investing in organisations so they have the capacity to make the upfront investment into systems, processes and tools that will make work more efficient in the long run. And they're made by listening to the people doing the work to find out where they see the major blocks and pain points.

Our members know the work of Kāinga Ora and they understand Kāinga Ora's customers, so our members should be deeply involved in identifying areas that could be improved, and on developing the solutions to any issues that are identified.

Workers at Kāinga Ora are fully aware of the need to deliver as efficiently as possible on behalf of the people of Aotearoa. Our people are the backbone of the capability for delivery of services through Kāinga Ora. We emphasise our dedication to continual improvement of practice and a focus on excellence to improve the lives of our customers and deliver on government policy and direction in an efficient and effective manner.

The timeframes for the independent review have been short, which has meant that so far our delegates haven't had the opportunity to engage with members in detail about the possible ways Kāinga Ora could work more effectively. If this review results in recommendations for change, it is essential that workers be given the opportunity to contribute ideas, and this requires:

- timeframes that enable them to work through ideas collectively
- time set aside to participate
- mechanisms for them to contribute, including through their union.

The more that workers can be involved in the decisions – both about this review and about the performance of Kāinga Ora going forward – the better the decisions will be.

Areas for improvement

At our meeting on 4 March members discussed a few examples of opportunities for improvement.

One area raised was the collection of good data. Members talked about how data on client needs is collected when they are added to the housing register, and then again at time of placement through a pre-housing assessment. However, changing client needs in the period between these two points can reduce the accuracy of the data Kāinga Ora uses to plan housing supply.

This example highlights the close relationship between Kāinga Ora and the Ministry of Social Development, and the importance of ensuring that both agencies are resourced sufficiently to keep information up to date.

Conclusion

Workers at Kāinga Ora are proud of the work they do every day. Everyone in Aotearoa deserves a warm, safe, dry home, and Kāinga Ora's work is contributing to that for as many people as possible. Kāinga Ora has improved how it delivers housing services for communities, and we hope to see it improve further with input from the workers with firsthand knowledge of what works. Most importantly though, Kāinga Ora can only continue to improve if it has the resourcing it needs to do its

job well. We encourage you to advise the government to invest in crucial public housing infrastructure by backing the great work that Kāinga Ora is delivering.

Thank you for the opportunity to share our views on Kāinga Ora for this review. We are happy to engage further with the panel if it is of use.