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Using information to improve public housing services

Progress in responding to
the Auditor-General's
recommendations



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Introduction

1. In December 2017, we published our report *Using information to improve social housing services* (our 2017 report). In our 2017 report, we described how well Housing New Zealand Corporation (Housing New Zealand) used information to manage tenancies, maintain its properties, and manage and invest in new and existing public housing.¹
2. We found that Housing New Zealand used a lot of information when placing people in public housing and managing their tenancies. However, there were opportunities for Housing New Zealand to use information more effectively to improve its services for tenants.
3. Since our 2017 report, there have been important changes in the housing sector:
 - Kāinga Ora – Homes and Communities (Kāinga Ora) replaced Housing New Zealand. Kāinga Ora combined the staff and functions of the KiwiBuild Unit and Housing New Zealand, including its development subsidiary HLC (2017) Limited. Kāinga Ora is New Zealand’s largest public housing provider. It owns or manages more than 65,000 properties, with assets totalling \$28.6 billion. Kāinga Ora focuses on providing public housing and home-related financial assistance, initiating or carrying out urban development, and delivering parts of the Government’s build programme.
 - The Ministry of Housing and Urban Development (HUD) was established. It is responsible for strategy, policy, funding, monitoring, and regulating housing and urban development.
4. The Ministry of Social Development continues to be the agency for people to contact if they are homeless, urgently need a place to stay, or need access to public housing and other types of support.
5. The recommendations that we made in our 2017 report to Housing New Zealand are now for Kāinga Ora. The recommendations we made to the Ministry of Social Development for the long-term plan and purchasing intentions now apply to HUD.
6. For this follow-up report, we looked at how well Kāinga Ora, the Ministry of Social Development, and HUD have responded to those recommendations.

1 Since 2017, the term “social housing” has been replaced by “public housing”, and we use that term in this report.

Summary of progress since 2017

7. In responding to our recommendations, Kāinga Ora has:
 - prepared a long-term investment plan and asset management strategy;
 - worked with the Ministry of Social Development to improve relationships and information sharing to improve collaboration at national, regional, and local levels;
 - provided guidance to staff and collected more comprehensive information to support how it places people in suitable housing, manages tenancies, and understands its tenants' needs;
 - improved its communications with tenants, including for maintenance issues;
 - set quality standards for its homes;
 - made good progress in expanding the extent and use of maintenance information; and
 - improved its method for assessing property condition.
8. However, HUD is yet to prepare a long-term strategy for public housing, including how forecast demand for houses will be met.
9. We plan to do more work on how well the public sector is improving public housing outcomes during the next three years, as detailed in our *Annual plan 2020/21*. This includes looking at how well HUD is overseeing the housing and urban development system. We plan to look at how central and local government agencies work together to ensure that planning, funding, and implementation of housing and infrastructure projects are well aligned and well placed to deliver positive housing and community outcomes, including for groups at greater risk of poor outcomes.

Strategy and planning

10. In our 2017 report, we recommended that:
 - Housing New Zealand develop a longer-term asset investment plan;
 - government organisations involved in the housing sector (Housing New Zealand, the Ministry of Social Development, the Treasury, Te Puni Kōkiri, and the Ministry of Business, Innovation and Employment) prepare a long-term strategy for public housing, including how demand will be met; and
 - the Ministry of Social Development set longer-term purchasing intentions and clearer expectations of quality, quantity, and availability of public housing.

Longer-term asset investment plan

11. Kāinga Ora has prepared two documents that focus on the long term – *Our Long-term Investment Plan 2018-47* (the long-term investment plan) and *Our Asset Management Strategy 2018-28*. We consider that, together, these documents address our recommendation to develop a longer-term asset investment plan.
12. The long-term investment plan outlines Kāinga Ora’s investment objectives and the funding and financing that will be needed. The plan covers 30 years because most of Kāinga Ora’s assets will need significant decisions made about them within that time frame.
13. The long-term investment plan’s main investment objectives are to:
 - provide appropriate, safe, warm, and dry housing that tenants can afford to operate within their means;
 - increase public housing stock to meet increased needs within available resources; and
 - maintain financial sustainability of Kāinga Ora over the long term.
14. The long-term investment plan also discusses the trade-off between the quality and quantity of public housing that Kāinga Ora can provide, and the timing and location of housing provision or renewal of existing public housing stock.
15. *Our Asset Management Strategy 2018-28* sets out Kāinga Ora’s strategic decisions about where and how it will deliver its asset programmes in a sustainable manner over 10 years. This includes how Kāinga Ora will manage the varying life-cycle requirements of existing assets to provide high-quality public housing. The strategy provides a clear decision-making framework for managing assets.
16. We will look at how well Kāinga Ora’s planning documents integrate with the rest of the housing sector when we look at how HUD oversees the housing and urban development system, as discussed in our *Annual plan 2020/21*.

Long-term strategy for public housing and long-term purchasing intentions

17. In 2017, no single government agency had responsibility for the leadership and performance of the housing and urban development system. Responsibilities were split across different agencies, resulting in fragmented policy, funding, and regulatory functions. On 1 October 2018, HUD was established to take on this system leadership role. HUD took over responsibility for procuring public housing from the Ministry of Social Development.

18. HUD has a clear mandate to:
 - understand how the whole housing and urban development system operates;
 - join up fragmented responsibilities and resourcing; and
 - address homelessness.
19. In our 2017 report, we acknowledged that forecasting demand for public housing is complex. We said that public housing providers needed more certainty beyond that provided by the Ministry of Social Development's four-year *Social housing purchasing strategy*, so that they could prepare their asset investment plans. HUD's *Public Housing Plan 2018-22* outlines the direction of public housing, how many more public housing places the Government wants to have by June 2022, and how public housing will be funded. Four-year plans do not give public housing providers long-term certainty.
20. Since the four-year plan was approved, demand for public housing has steadily increased. Between 31 December 2017 and 31 May 2020, the number of people waiting for a public house or to move to a different public house increased from 7725 to 21,380 (about a 177% increase):
 - The number of people waiting for a public house increased from 6182 to 17,982 (about a 191% increase).
 - The number of people waiting to move to a different public house increased from 1543 to 3398 (about a 120% increase).
21. These increases highlight the significant task facing HUD in planning for the longer term, and reinforce the need for scenario planning.
22. HUD does not yet have a long-term strategy for public housing, including how forecast demand will be met. A long-term strategy is needed to manage long-term public housing assets and provide certainty to public housing providers. We would expect a long-term strategy to discuss HUD's planning assumptions. We would also expect HUD to discuss, in general terms, how its strategy would respond to changes in demand that differ significantly from its forecast. After a strategy is in place, we would expect HUD's four-year plans to focus on implementing this strategy.
23. HUD agrees that a long-term strategy for public housing is needed, including for how to meet forecast demand for public housing. HUD told us that it has begun work to develop a longer-term view of public housing investment.

Relationships and information sharing

24. In 2017, we recommended that Housing New Zealand and the Ministry of Social Development:
- improve the way information about people applying for public housing and who subsequently move into a Housing New Zealand house is shared; and
 - strengthen the relationships between their staff, particularly frontline staff, ensuring that they have a clear understanding of each organisation's role and functions.
25. Kāinga Ora and the Ministry of Social Development work together closely at all levels. We were told that, whenever possible, chief executives, along with other senior staff, attend meetings with joint Ministers.² Operational staff are in regular contact with each other, with the aim of integrating services. These are all positive initiatives that go some way to addressing our 2017 recommendations.
26. These working relationships have helped to introduce initiatives that promote collaboration and information sharing at national, regional, and local levels. Examples of these include:
- Wellington-based leaders meet fortnightly to improve co-ordination and collaboration between Kāinga Ora and the Ministry of Social Development. As a result, Kāinga Ora is provided with an updated Housing Register³ and Transfer Register⁴ weekly, which includes sharing information about tenants who ask for a transfer because of health and disability needs, safety (including family violence), and property condition.
 - As well as the information shared through the Housing and Transfer Registers, the Ministry of Social Development shares information to ensure that Kāinga Ora staff members get the information they need to place people into suitable housing. Kāinga Ora and the Ministry of Social Development ran a Sustaining Tenancies Trial⁵ to share information about tenants at risk of losing their tenancy for varying reasons. For example, the Ministry of Social Development could identify a tenant who has continued overdue rent and provide them

2 Ministers and Associate Ministers of Housing and Social Development.

3 The Housing Register includes applicants not currently in public housing who have been assessed as eligible and who are ready to be matched to a suitable property.

4 The Transfer Register is a list of people who want to move from one public house to another because the existing house no longer meets their needs.

5 Sustaining Tenancies is a prevention programme that provides practical support to households to help them keep their tenancies. As at August 2019, it was available for public housing tenants in Auckland, Wellington, and Christchurch through eight providers to support about 550 tenants. There are plans to expand the service to five other regions and private market rentals. Kāinga Ora found that the trial helped reduce reliance on transitional and emergency housing support and prevent rates of homelessness from increasing. That improves well-being for individuals, families and whānau, including positive outcomes on employment, relationships, education, and health. HUD has taken over the Sustaining Tenancies work.

immediate financial assistance so that they do not become homeless. The Sustaining Tenancies Trial also allowed the Ministry of Social Development to identify tenants who might benefit from the support of a social services provider to address any underlying issues.

- Both Kāinga Ora and the Ministry of Social Development are part of the Northland Housing Taskforce. The taskforce brings together central and local government organisations, housing providers, and community groups to:
 - better understand local demand for public and affordable housing and support services; and
 - come up with local solutions and identify opportunities for organisations to work together to put those solutions in place.
27. However, it is not clear to us whether there is a framework that guides activities and decisions about when and how information should be shared to ensure delivery of outcomes. We encourage agencies, including HUD, to give some thought to this, and we might explore this further in our planned work on system oversight.
 28. Kāinga Ora has also introduced a service called Intensive Tenancy Management – Te Waka Urungi to provide better support for the 5% of tenants identified at most risk of poor well-being outcomes. This service connects these tenants with specialist service providers to help them live well in their homes and communities. Te Waka Urungi has been fully operational since September 2018, has 24 staff in four regions, and continues to develop. Kāinga Ora considers Te Waka Urungi to be having a positive effect.
 29. Kāinga Ora and the Ministry of Social Development share information under a Memorandum of Understanding for Information Sharing 2016, which they plan to review and update in 2020/21. We recommend that Kāinga Ora and the Ministry of Social Development get feedback from their staff about any day-to-day difficulties with sharing information for the review. This would help clarify whether there are any issues with the information-sharing protocols or whether staff need more training to apply the protocols correctly.
 30. We suggested to Kāinga Ora and the Ministry of Social Development that, as needed, they consult the Privacy Commissioner and/or the Government Chief Privacy Officer. The Government Chief Privacy Officer is the practice lead for privacy and is responsible for supporting public organisations to meet their privacy responsibilities and improve their privacy practices. Both Kāinga Ora and the Ministry of Social Development agree that this would be useful and plan to seek advice from the Government Chief Privacy Officer to ensure that they meet good practice requirements.

Guidance and support for staff

31. In 2017, we recommended that Housing New Zealand give its staff clearer guidance and better processes to support getting the information they need to effectively place people in public housing and for ongoing tenancy management.
32. The increase in demand for public housing has made placing people into public housing more difficult. This is because demand is not matched by available supply, and many more people seeking public housing have high and complex needs. These circumstances mean that it is important that Kāinga Ora has relevant information on tenants' circumstances and needs so they can be placed in suitable housing.
33. Kāinga Ora and the Ministry of Social Development have made progress in providing guidance and support to staff. Kāinga Ora and the Ministry of Social Development have also taken steps to get better information to support placing tenants in suitable housing and to support tenancy management.
34. Kāinga Ora has taken steps to get better information to understand its customers' needs. For example, in 2017 Kāinga Ora trialled comprehensive pre-placement interviews. These interviews involved staff having discussions with potential or existing tenants to get an in-depth understanding of the type of home and services they need. Based on the results of the trial, this is now part of day-to-day operations. Although the interviews are time consuming, staff said they deliver significantly more information on prospective tenants' needs than was available previously. Kāinga Ora considers that they achieve the desired outcome of better supporting the placement of tenants into suitable housing and tenancy management.
35. In 2018, Kāinga Ora introduced a customer strategy that sets out its direction for the services and housing it provides. The first goal of the strategy is for Kāinga Ora to understand the current needs of its tenants and anticipate the needs of its future tenants. Kāinga Ora has introduced a customer programme and target operating model to implement the customer strategy – the programme includes a dedicated function to learn, evaluate, and improve. The response to Covid-19 has delayed some of the co-design work that was scheduled to begin in the first half of 2020.
36. In November 2019, the Ministry of Social Development provided refresher training workshops to staff members in six high-needs regions to support improved assessments and services. The aim of training was to ensure that:
 - assessments reflect the current level of client need;

- staff members have the confidence and resources to have conversations required during assessments; and
- all relevant information is collected to ensure effective placement into public housing and access to other support services.

37. We were told that staff members in other regions were provided with similar guidance.

Communicating with tenants

38. In 2017, we recommended that Housing New Zealand continue to improve communication with its tenants so they could easily contact someone to deal with any issues.

39. Some of the ways that Kāinga Ora has improved its communications with tenants include:

- improving its ability to recognise, authenticate, and prioritise tenants who call its Customer Support Centre;
- making it easier for tenants to manage their tenancies over the phone by using call-recording technology for consent and privacy waivers that would traditionally need paper and signatures;
- developing an online application (app) called “MyKāingaOra”, which enables tenants to complete basic queries and functions online, such as:
 - checking account balances;
 - viewing the progress and status of repairs;
 - checking on upcoming rent payments, appointments, and inspections; and
 - updating personal details; and
- launching a Facebook page.

40. The Customer Support Centre met the target for answering 80% of calls within two minutes:

- In 2018/19, the Customer Support Centre received 710,385 calls and answered 83% of them within two minutes.
- In 2019/20, as at 31 May 2020, the Customer Support Centre had received 630,128 calls and answered 81% of them within two minutes.⁶

41. Kāinga Ora also told us that it ensures that information is accessible to tenants by:

- working to comply with accessibility guidelines for all online and printed publications;
- revising the welcome pack given to new tenants to address feedback from customer focus groups; and

⁶ The Customer Service Centre received 41% fewer calls in April 2020 because of Covid-19 restrictions.

- providing translations of important stories in multiple languages in its newsletters and translations of newsletters in multiple languages on its website.
42. Kāinga Ora has improved its communication with tenants, but data shows improvements in a range of matters are needed to improve overall customer satisfaction, which decreased from 83% in 2017/18 to 78% in 2018/19. The 2019/20 satisfaction score to 31 March 2020 was 80%. The target is that 85% of randomly surveyed customers are satisfied.

Communicating with tenants about maintenance

43. In 2017, we recommended that Housing New Zealand better inform its tenants about the likely timing and progress of maintenance work and what they could expect in terms of housing quality.
44. Kāinga Ora has made progress against this recommendation.
45. For large-scale planned programmes (such as exterior painting, re-roofing, and gas conversion programmes), Kāinga Ora writes to tenants at the beginning of the year to tell them that their home has been selected for upgrade work, when the work is likely to start, and what to expect. Kāinga Ora also offers tenants more choice about when repairs are done. MyKāingaOra allows tenants to view the progress and status of repairs. Further functionality is being developed for the app, such as enabling tenants to ask for repairs.
46. Kāinga Ora considers that keeping tenants better informed about when work will happen and its progress, will help to:
- reduce access issues for maintenance teams;
 - get input from tenants early in the maintenance planning process to ensure that Kāinga Ora can better meet tenants' expectations and needs while work is carried out;
 - reduce the need for workers to make repeat visits because tenants are not home; and
 - reduce complaints.
47. Kāinga Ora has introduced measures to reduce maintenance times. Maintenance-related call waiting times have also improved:
- Vacancy management specialists were introduced in high-demand areas to reduce the time taken between tenancies to get a home ready to let. The results are promising. The time taken reduced from 19.3 days in 2017/18 to 16.4 days in 2018/19, which was less than the 18-day target. The year-to-date

result for 31 March 2020 was 16.7 days, but increased to 18 days at 31 May 2020 because many maintenance activities were affected during Covid-19 restrictions.

- The maximum waiting time for maintenance calls reduced from 120 minutes in 2016/17 to 30 minutes in 2018/19. As at 31 May 2020, the maximum wait time in 2019/20 was 15 minutes, and the average speed to answer was 48 seconds.
- The average time taken to respond to an urgent health and safety query from tenants decreased from 2.8 hours in 2017/18 to 2.1 hours in 2018/19. The target is an average of four hours. The year-to-date result for 2019/20 as at 31 May 2020 was 2.4 hours.⁷

48. In 2018/19, Kāinga Ora reported that 71% of tenants were satisfied with repairs and maintenance. This was an improvement from 67% in the previous year but did not meet the target of 75%. The year-to-date result for 2019/20 as at 31 May 2020 was 73%. There is room for further improvement, which would increase tenants' trust and confidence in Kāinga Ora.
49. On 1 July 2020, Kāinga Ora introduced new maintenance contracts that address feedback from tenants on how to improve services. The contracts include a range of behaviour, technology, and process changes aimed at improving customer satisfaction for maintenance services, such as providing customers with more choice about when work is to be done, improved efficiency so that repairs could be done quicker, showing respect to customers, and seeking feedback. Head contractors now have stronger performance incentives aimed at improving services to customers. For example, remuneration includes a performance component that is more clearly linked to customer experience.
50. Kāinga Ora has set quality standards for its public houses called "minimum performance requirements". The requirements cover build standards and maintenance standards. The requirements are on Kāinga Ora's website and have been shared with tenants in regular newsletters.

Information on housing condition

51. In 2017, we recommended that Housing New Zealand expand the extent of its information on the condition of its houses, further analyse the maintenance information, and better co-ordinate planned and as-required maintenance work.
52. Kāinga Ora has made progress in expanding the extent and use of maintenance information and continues to seek further improvements.

⁷ This means that a tradesperson attends the site within the target period and makes it safe. This might mean that all the work is completely finished in that time frame or the site is made safe pending full repair (12 hours to complete).

53. Kāinga Ora has improved its method for assessing property condition.⁸ For its planned maintenance, Kāinga Ora is focusing on critical building elements that are significant because of replacement cost, their effect on tenants' well-being, and/or where failure of an element could affect other elements. The aim is to prioritise replacing critical elements before they fail. Kāinga Ora uses historical maintenance spend to confirm the rate at which elements fail. Because of the old age of its housing stock in some regions, Kāinga Ora says it will still need to fix defects as they happen because particular houses might not have priority for planned maintenance.
54. Kāinga Ora has improved co-ordination and information sharing related to maintenance. For example, getting exterior painting and re-roofing done at the same time on a house to reduce scaffolding costs and effects on the tenant.
55. Kāinga Ora is making better use of information to more fully understand its maintenance spending and to plan future maintenance work. For example, it looks at why maintenance spending is over or under budget to understand the reasons for maintenance and improve its budget forecasting. Kāinga Ora has also commissioned work to better understand the factors responsible for driving its responsive maintenance spend, with the aim of improving maintenance planning.
56. Kāinga Ora is exploring new technologies to get better information about the condition of its houses to help drive planned maintenance. For example, it has been piloting using sensors in its properties to measure dryness, warmth, and ventilation. These are important measures to find out whether a home is healthy and can indicate how effectively the property is maintained.

8 Assessments are done through a combination of desktop review of property assessments and a physical survey on a sample of properties. Kāinga Ora also carries out a range of unplanned and regular visits to properties. The reasons for these visits include its annual health and safety inspection, annual tenancy inspection, and vacant property inspection.

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