

Social housing delegation to Australia provides lessons for New Zealand

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A delegation to Sydney and Melbourne facilitated by the New Zealand Council for Infrastructure Development and hosted by the Australian Trade Commission has found that there are clear opportunities to enhance the delivery of social and affordable housing in New Zealand.

The delegation comprising of Government and Auckland Council officials, community housing associations, Iwi representatives, construction and property development firms visited social and community housing developments in Sydney and Melbourne. The programme provided access to senior private and government representatives in Australia.

Attendees sought to identify potential new ways of delivering social and affordable housing that would both improve the mix of housing that is available, increase supply, improve value for money in asset management and maintenance and, most importantly, improve social and community outcomes

"The Australian Trade Commission and NZCID continue to build a close and collaborative working relationship which delivers opportunities to deepen the Trans-Tasman relationship. It is clear from the feedback of those involved in this visit that the experiences and ideas will be implemented by the participants." said Donna Foster of the Australian Trade Commission.

"The Australian examples provided tremendous insights into how we can improve the delivery of social and affordable housing in New Zealand", said NZCID chief executive, Stephen Selwood.

"We looked at three alternative approaches to full public service provision; from the outsourcing of public housing to community housing associations and public private partnerships.

"A key feature in all three models was realising the value of public land holding, by creating high quality higher density housing, in urban areas adjacent to supporting infrastructure. The release of land value has enabled the opportunity to mix social housing and the sale of affordable homes to the private property owners.

"In most cases the mix of social housing was 30% in relation to private ownership at 70%. The blend of residents removes the traditional stigma associated with state housing. The reality was that you couldn't tell the difference between a privately owned home and a state house.

"Key to the success of the initiatives is the provision of ongoing support to socially disadvantaged communities within the estates. Examples include job creation schemes, social-cultural initiatives and in some cases community based health care. The provision of support services not only has very positive social outcomes but

helps reduce risks for developers and enables better market prices in the sale of the dwellings on the open market. Higher returns from the land provides the financial support for improved social services which otherwise would not be possible. It's a "win win" solution.

"I can see clear opportunities for this type of initiative in New Zealand.

"For example Glen Innes is characterised by high maintenance older style state houses sitting on large sections, all handy to rail connections, a town centre and relative proximity to the university and city amenities. The location is desirable for private owners and will attract good market values. The potential to integrate the existing social housing into an enlarged community and enable additional support to be funded through the release of the land value is considerable.

"The approach is fully consistent with the Auckland Council's desire to increase urban density and could form a central part of the Auckland Plan for this area. Tax Increment Financing (i.e. ring fencing growth in rates income to repay the debt needed to fund urban infrastructure investment) also provides a potential means of funding such an initiative. The council could also provide support by means of planning permission for designs that meet council objectives.

"The critical factor in the success of any social and affordable housing initiative is to ensure high quality urban design, which avoids the mistakes of the past and provides a means to uplift the social outcomes for the whole community.

"NZCID will be developing a report on the findings of the trip incorporating input from all the attendees. We hope the study will provide valuable insights government and local authorities, including the recently appointed Interim Tamaki Transformation Board," Selwood says.