

Rebuilding Sustainable Communities: Partnerships for Social Housing

Prepared by
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Established by the
New Zealand government in 1995
to facilitate public policy dialogue
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Christian T. Stearns
Wellington, August 2012

EXECUTIVE SUMMARY

This research is an examination of social housing reform in New Zealand. It is not meant to be a critique of New Zealand policy, nor is it meant to be a comparison between New Zealand and United States policy. Using Appreciative Inquiry, it is an attempt to highlight what is working and use this to inform policy in both countries. The paper also focuses on the unique aspects of New Zealand's policy. The traditional policy approach is to define a problem, analyse that problem, and offer solutions. Appreciative Inquiry is a different way of approaching change. It focuses on what works, and builds upon that success. In our search to create effective policy, it is important to understand what has worked in the past, what is currently working, and how to build on those successes in the future.

This research also breaks with tradition in its Action Research approach. As a policy advisor, I think it is important to provide fair and impartial advice, but getting action is equally important. Action Research engages stakeholders as active participants in the policy making process and results in theoretical and practical outcomes. It forms a sense of community and empowers that community for further action. It results not only in better-informed policy, but policy that actually gets implemented. This report follows a simple action approach using the Think, Plan, Act, and Measure model.

Think

The report examines the current New Zealand Government's thinking on social housing policy, but also takes into account the historical past. In order for effective reform to take place, it is useful to have a policy framework. In the past, the New Zealand Government clearly used 'sustainability' as that framework. 'Sustainability' here refers to the balancing of at least three distinct systems: social, environmental, and economic. To this list, New Zealand has added a fourth system – cultural. The importance and uniqueness of this fourth 'pillar' is not to be underestimated. New Zealand is also unique in its use of the concept of 'strong sustainability', which argues that policies should be restorative and regenerative and not merely maintain the system. Although the current Government has refocused their efforts mainly on the economy, the four areas of well-being have permeated the thinking of most New Zealand government policy.

It could be argued New Zealand's current Social Housing Reform Programme was originally born from its thinking on sustainability and an examination of all four areas of well-being. The economic crisis only highlighted that the current social housing system is unsustainable. To address this, the New Zealand Government formed the Housing Shareholders Advisory (HSA) Group. The HSA Group issued a report – *Home and Housed: A Vision for Social Housing in New Zealand* (April 2010). This report outlined 19 recommendations, grouped under four imperatives/initiatives that examined both the supply and demand side of social housing. This research paper follows the central government's changing policy focused on increasing the supply of social housing by driving the involvement of non-government providers in the sustainable redevelopment process.

Plan

The HSA Group recognised that responsibility for social housing policy is fragmented among several government departments. As a result, the Department of Building and Housing (DBH), now part of the Ministry of Business, Innovation and Employment (MBIE), was appointed to lead the Social Housing Reform Programme and develop social housing policy. The Social Housing Unit (SHU – a semi-autonomous operational unit) was also set up within DBH. It was tasked with increasing the supply of social and affordable housing through non-governmental providers. Even after this shift in policy, New Zealand still lacks a strategic housing plan and is just starting to develop operational plans. While the Social Housing Investment Plan is under development, some government agencies have partially addressed social housing in their strategic plans. The Treasury's *National Infrastructure Plan* (2011) includes a section on social infrastructure. Social housing is listed as a strategic opportunity within this section. This view of social housing as part of the national infrastructure provides a unique perspective on planning and policy for social housing at the strategic level. Elements from this approach could be incorporated into the plans and policies of the Social Housing Reform Programme and translated into operational plans and action at the regional and local levels.

Act

Governments across the globe are realising that complex issues like social housing cannot be addressed in a vacuum. Government must collaborate and partner with the private sector and the third sector (non-profit and community) for effective action. The use of Public Private Partnerships (PPPs) and variations on this model are part of New Zealand's future social housing reform. For effective action, these partnerships must be designed for New Zealand's specific partners (including Māori entities) and purposes. Action depends on a well thought out framework and planning process. Sustainable development recognises that policy, planning and action require integration across social, environmental, economic, and cultural systems. This requires partnerships across society. Effective sustainable community partnerships depend on each sector understanding these concepts and sharing common goals in all four areas of well-being.

Measure

Although process is important, the ultimate goal of government policies is to create outcomes. If we do not measure our actions, it is impossible to determine whether our policies are having the desired effect. Proper measurements must be taken across the spectrum from strategic to operational levels. This helps determine not only whether we are achieving progress, but also that we are moving in the right direction. For example, operationally it is important to know if the supply of new sustainable social housing units and non-governmental providers is increasing, but more importantly we want to know how this has contributed to the increased well-being of those social housing tenants and, ultimately, the nation.

This paper concludes with two place-based examples where this Action Model and the resulting knowledge can be applied. Auckland has been identified in reports for over a decade as needing social housing development. The earthquakes in

Christchurch have also made it a clear area of opportunity. Sustainable social housing redevelopment in these two communities should be considered ‘Projects of National Significance’ and stand as examples for New Zealand and the developed world.

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INTRODUCTION

Abraham Maslow and subsequent developmental psychologists have recognised shelter – housing – as a basic need that, if left unmet, impedes personal fulfilment and self-actualisation.¹ This concept was recognised by the Housing Shareholders’ Advisory (HSA) Group: “Shelter is one of the most basic human needs, but a home is much more than the place where we hang our hat: it gives our lives stability and permanence and contributes materially to our physical and social well-being.”² The HSA Group was set up by the Ministers of Finance and Housing in February 2010. The objectives of the Group were to provide advice on:

- “The most effective and efficient delivery model for state housing services to those most in need
- More productive and innovative ways to use current social housing assets to better support the objectives of government
- Transparent measures of how the above are being achieved.”³

The HSA Group issued their report – *Home and Housed: A Vision for Social Housing in New Zealand* on April, 2010. The report outlined 19 recommendations under four initiatives that provided a ‘roadmap’ for social housing reform. The purpose of this paper is to examine the roadmap of social housing reform and explore a few of the policy paths that the current New Zealand Government has chosen to follow. The focus is on the supply-side recommendations and the goal to increase non-governmental providers, especially in social housing redevelopment. The report does not debate the Government’s chosen paths, but tries to help navigate to a common destination. The HSA Group’s vision for social housing is ensuring that “...every New Zealander has decent, affordable housing.”⁴

Methodology

This qualitative research is an examination of social housing reform in New Zealand. It is not meant to be a critique of New Zealand policy, nor is it meant to be a comparison between New Zealand and United States policy. Using Appreciative Inquiry,⁵ it is an attempt to highlight what is working and use this to inform policy in both countries. Dozens of stakeholders in the New Zealand social housing sector were interviewed and primary and secondary documents were reviewed with a focus on the unique aspects of New Zealand’s policies. The traditional policy approach is to define a problem, analyse that problem and offer solutions. Appreciative Inquiry is a different way of approaching change. It focuses on what works and builds on that success. In the search to create effective policy, it is important to understand what has worked in the past, what is currently working, and how to build on those successes in the future.

¹ Maslow (1943)

² Housing Shareholders Advisory (HAS) Group (2010), p. 11

³ Ibid, p. 11

⁴ Ibid, p. 4

⁵ Hammond (1998)

This research also breaks with tradition in its Action Research approach.⁶ As a policy advisor, it is important to provide fair and impartial advice, but getting action is equally important. Action Research engages stakeholders as active participants in the policy making process and results in theoretical and practical outcomes. It forms a sense of community and empowers that community for further action. Action Research results not only in better-informed policy, but policy that actually gets implemented. This report follows a simple action approach using the Think, Plan, Act, and Measure model.

Overview

New Zealand has been recognised as a world leader on sustainability and social housing thought. The first chapter of this paper explores that thinking in relation to social housing policy and reform. Effective policy and reform require a clear guiding framework and purpose. They also require a long-term view and holistic approach. In the recent past, ‘sustainability’ was clearly the New Zealand Government’s framework for policy, and their purpose was sustainable development. As defined by the Brundtland Commission, “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”⁷ Countries across the globe adopted a similar sustainability approach. However, the current global economic crisis has New Zealand and many other countries refocused primarily on their economy. “While the financial crisis may divert attention from the non-economic aspects of sustainable development in the short term, it is unlikely that the language and understandings engendered by sustainable development will be abandoned once the immediate crisis is past.”⁸ In an attempt to refocus governments on a longer-term, more holistic view, some scholars have suggested that sustainability should be the conceptual focus for all public administration.⁹

Moving from thought to action requires planning. “A feature of many successful economies is that they possess highly developed, well integrated planning, funding and implementation processes that both lead and support national development.”¹⁰ The second chapter examines strategic and operational level planning for social housing. Although the HSA Group made no specific recommendations about planning, they did recognise that responsibility for social housing planning policy should be in one organisation. Historically, social housing in New Zealand has been viewed as a vital part of the nation’s infrastructure and, primarily, the responsibility of the central government. However, there are several government agencies involved (directly or indirectly) in social housing at the central, regional and local levels. Social housing is also linked to a variety of other government and community issues. Therefore, social housing planning requires a whole-of-government and integrated planning approach.

The third chapter explores government action in social housing. Increasingly,

⁶ Stringer (1996)

⁷ United Nations (1987)

⁸ New Zealand Institute of Economic Research (NZIER) (2009), p. 34

⁹ Fiorino (2010)

¹⁰ NZCID (2010a), p. 12

governments across the globe are realising that their actions, alone, cannot sustain social housing. “Current social housing (including state housing) is not sustainable – it is failing to meet the needs of a growing number of New Zealand households, and is becoming increasingly unaffordable for Government.”¹¹ Similarly, the private sector and third sector (non-profit and community) are increasingly acknowledging that in today’s complex society it is difficult to achieve their goals through independent action. The answer to this dilemma is partnerships. However, the use of partnerships to achieve shared outcomes and deliver public services requires some fundamental shifts in the role of government. The ‘Future State’¹² of government must also shift.

The fourth chapter discusses the importance of performance measurement in policy. “Developing better measures is not an end in itself, but a means to enhance policies that improve people’s lives.”¹³ There is widespread acknowledgement that focusing on outcomes and measuring those outcomes has beneficial policy implications. However, there is not universal agreement on what those outcomes should be, especially when it comes to social housing. “No core set of housing indicators currently exists, which underscores the need for more comparable data in this field.”¹⁴ Internationally, the Organisation for Economic Co-operation and Development (OECD) has recognised housing as a key indicator of well-being. In New Zealand, the Treasury’s Living Standards Framework also identifies housing as “an important component of an individual, household, or country’s wealth.”¹⁵ The focus and choice of social housing outcomes affects policy as much as the resulting measures. Effective policy also depends on measurements at various levels throughout the process.

Finally, the paper concludes by highlighting some possible areas of success that could be built upon and some recommendations for exemplar action.

¹¹ *Social Housing* (2012)

¹² Ryan & Gill (2011)

¹³ Organisation for Economic Co-operation and Development (OECD) (2011), p. 4

¹⁴ Ibid, p. 81

¹⁵ New Zealand Treasury (2011), p. 19

1 THINKING – SUSTAINABILITY AS A FRAMEWORK FOR SOCIAL HOUSING

Introduction

Research on sustainable development over the past decades has heightened our awareness that we are all part of a global system. In order for governments to create effective policies, they must not only think from a global perspective, but also acknowledge the complexities of that global system. Improvements to the economy cannot be made without consideration of the other systems that contribute to overall well-being. Internationally, sustainability is typically defined by the ‘triple bottom line’, which includes at least the social and environmental systems along with the economic. In some countries, like New Zealand, a fourth ‘pillar’ has been added with the consideration of culture. This unique inclusion of cultural well-being in New Zealand’s model of sustainability should be taken advantage of in its social housing reform policy. The role of culture in New Zealand housing policy is acknowledged. For example, the recent *Housing Affordability Inquiry* included a section on Māori housing.¹⁶ However, like this report, culture is mostly viewed as a separate issue to address, rather than an integral system and strength to be built on. This year, 2012, happens to be the year of the first ever World Indigenous Housing Conference¹⁷ signalling a global recognition of cultural issues in housing. New Zealand, with a history of including culture in its housing policy, celebrated its second National Māori Housing Conference this year. The concluding remarks of the conference report state, “There is comprehensive and increasing evidence that the time for a specific model for Māori housing is now....”¹⁸

It may be serendipitous that 2012 is also the year for the Rio+20 United Nations (UN) conference on sustainable development. For over twenty years, sustainability (with a heavy emphasis on the environment) has been recognised as a global issue. Communities and housing have been an early focus of the sustainable development agenda. In response to the global economic crisis, the UN conference this year is focused on the ‘green’ economy. Likewise, New Zealand recently released *Greening New Zealand’s Growth*,¹⁹ which highlights opportunities for New Zealand’s economy and environment. Although the housing sector is not specifically mentioned in this document, there are references to the ‘construction industry’ and delivering ‘green cities’ – indirect acknowledgement of housing and social housing’s contribution to economic and environmental well-being.

Even though there has been a shift from a concentration on the environment to the economy, governments across the globe are still committed to a sustainability agenda. However, in New Zealand, “The term sustainable development itself has almost disappeared from the lexicon of public debate on economic and environmental policy.”²⁰ Despite the current Government’s informal ban of the word

¹⁶ New Zealand Productivity Commission (2012), pp. 238-264

¹⁷ *World Indigenous Housing Conference* (2012)

¹⁸ *National Māori Housing Conference Report* (2012)

¹⁹ Green Growth Advisory Group (2011)

²⁰ NZIER (2009), p. 32

‘sustainability’²¹, New Zealand’s history has embedded the economic, social, environmental and culture elements into the Government’s policy thought and language.

The New Zealand Government is reorganising to focus on the economy. The Department of Building and Housing (DBH), with primary responsibility for housing policy, has become part of the Ministry of Business, Innovation and Employment (MBIE). The impetus for this reorganisation was the *Better Public Services Advisory Group Report*. “This report responds to the challenge of improving social, economic and environmental outcomes for New Zealanders and doing so in more affordable ways. Meeting that challenge will require action on a range of fronts, with implications for ministers, public servants, non-governmental organisations, business partners and citizens. Leadership will be critical, organisational change inevitable, some up-front investment essential.”²² Even the New Zealand Treasury, with a clear focus on the economy, created a policy framework for the current Government that acknowledged: “The sustainability of living standards for both present and future generations is a key part of the Framework.”²³ The Living Standards Framework takes a capital approach and builds on past national and international sustainability research. It recognises that “infrastructure and housing are central building blocks of living standards.”²⁴ Although these policy reports clearly drew on past sustainability research and practice, they both omitted the one unique element to sustainability in New Zealand – culture.

New Zealand’s current Social Housing Reform Programme was not born out of the current financial crisis alone, but through a history of sustainability thought. Likewise, effective social housing reform policy will not be purely based on economics, but must be viewed through a sustainability lens that sees all the economic, social, environmental, and cultural systems and their interactions. “While the financial crisis may divert attention from the non-economic aspects of sustainable development in the short term, it is unlikely that the language and understandings engendered by sustainable development will be abandoned once the immediate crisis is past.”²⁵ To better understand why sustainability should be the long-term framework for social housing reform, we must examine the path that led to the current Social Housing Reform Programme.

Sustainability

The New Zealand Government has been a recognised world leader in sustainability thought. Even prior to the World Earth Summit in 1992 and the UN’s Agenda 21, New Zealand was the first nation to formally adopt the principle of sustainability by passing the Resource Management Act in 1991. This, along with New Zealand’s clean, green image, prompted some to say, “If any country has the potential to lead the way in achieving sustainable development surely it is New Zealand.”²⁶ Since then,

²¹ South (31 October, 2009)

²² *Better Public Services Advisory Group Report* (2011), p. 54

²³ New Zealand Treasury (2011), p. 2

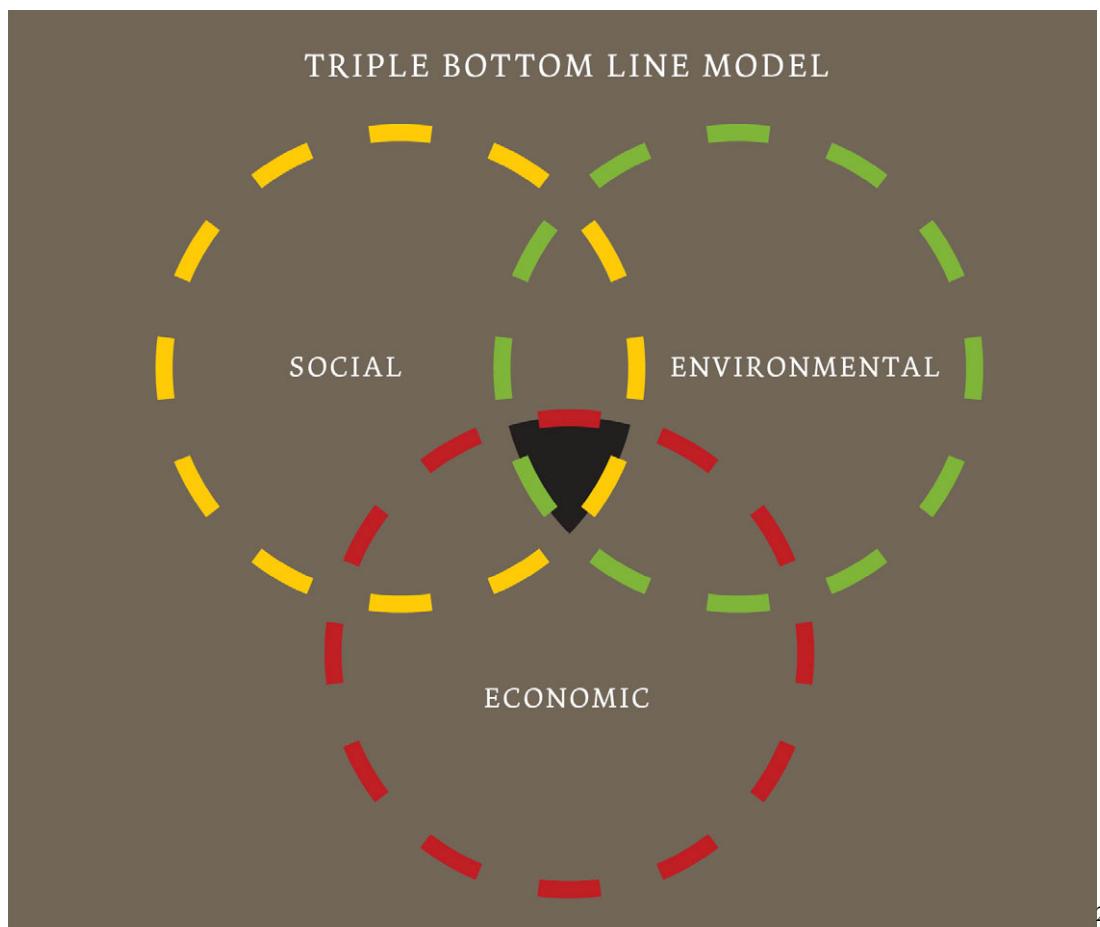
²⁴ Ibid, p.19

²⁵ NZIER (2009), p. 34

²⁶ Freeman (2007), p. 17

New Zealand has engaged in a variety of research and policy activities on the subject of sustainability.

Like the rest of the world, New Zealand understood that “Achieving sustainable development involves a different way of thinking and working.”²⁷ Sustainable development requires a systems and whole-of-life approach. It is both vertically and horizontally integrative. Effectively implementing sustainable development requires participation and partnerships across all sectors. The most prevalent international sustainable development model is the ‘Triple Bottom Line’ (TBL) model, which identifies sustainability as the balanced intersection of the social, environmental and economic systems.



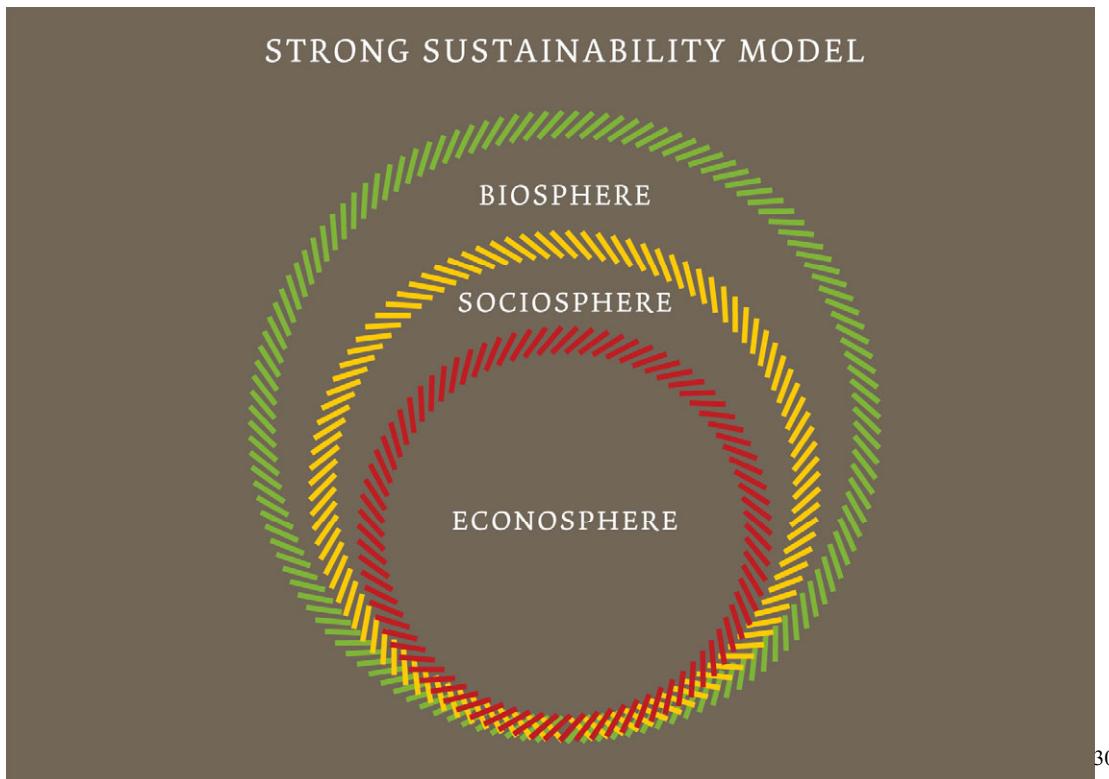
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New Zealand added some unique perspectives to sustainability thought and models. Sustainable Aotearoa New Zealand (SANZ), now known as phase2, distinguished the TBL model as ‘weak’ sustainability compared to their ‘strong’ sustainability model. “The TBL model above can never sustain the biosphere on which we depend because it places the same importance on the economy that it does on the resource the economy relies on to thrive.”²⁹

²⁷ *Sustainable Development for New Zealand Programme of Action (SDPA)* (2003), p. 6

²⁸ *Strong sustainability* (2012)

²⁹ Ibid



“The concept of ‘strong sustainability’ is based on the scientific fact that all human life and activity occurs within the limitations of planet Earth, or the ‘biosphere’ where all humankind lives, including all societal functions, such as the economy.”³¹ The model also made some interesting points about the need for sustainable development to be restorative and regenerative, because of the damage already done to the biosphere. For some, this model emphasised the role of the environment almost to the exclusion of the social, economic, and cultural aspects.

Looking back, a majority of New Zealand’s research on sustainability was through an environmental lens – the Ministry for the Environment (MfE) or environmental research institutions. However, there were also other interesting lines of sustainability research outside of the environmental approach. Jon Hawkes introduced “*The Fourth Pillar of Sustainability: Culture’s essential role in public planning*. ”³² This concept was quickly adopted into the New Zealand sustainability language and model. One reason was that it allowed a way to incorporate the government’s obligations under the Treaty of Waitangi into its sustainability agenda. The ‘four pillars’ concept was also adopted into government policies. The Local Government Act of 2002³³ included sustainability language and required local authorities to promote the social, economic, environmental, and cultural well-being of their communities. The New Zealand Ministry for Culture and Heritage developed a model based on this policy.

³⁰ Strong sustainability (2012)

³¹ Ibid

³² Hawkes (2001)

³³ Local Government Act (2002)

The “four well-beings of community sustainability” model



The model places well-being at the centre. All four pillars of the model are interdependent and equal. The Ministry notes “the need for strategic planning, democratic decision-making, and a sustainable development approach that meets all four types of well-being.”³⁵

Although New Zealand was one of the first to incorporate sustainability into legislation, it was late in adopting a national sustainable development plan compared to other OECD countries. The *Sustainable Development for New Zealand Programme of Action* (SDPA) was not adopted until 2003.³⁶ The foreword to the SDPA was written by the Minister for the Environment (showing the environmental focus). The SDPA set ‘Principles for Policy and Decision Making’. “The government recognises that its decisions should ensure the well-being of current and future generations. It will take account of the economic, social, environmental, and cultural consequences of its decisions.”³⁷ Although the SDPA put sustainable development at the centre of government policy, it was widely criticised as ineffective. “Its Programme of Action is distinct in the lightness of reference to both economy and environment in its guiding principles. In its emphasis on processes rather than measurable outcomes, and in its implementation in which responsibilities were so widely spread across the government sector that there was limited oversight of the whole.”³⁸ The Programme was also criticised as reductionist, instead of integrative – with too much emphasis on the environment; while others criticised it for not focusing on the environment enough. Although criticised, the SDPA was effective at embedding sustainability thought and language into government policy.

The New Zealand Institute of Economic Research (NZIER) wrote a paper in 2009

³⁴ New Zealand Ministry for Culture and Heritage (2006), p. 5

³⁵ Ibid, p. 4

³⁶ SDPA (2003)

³⁷ Ibid, p. 10

³⁸ NZIER (2009), p. 33

titled: *Sustainable development: Have we got our priorities right?* The paper was written from an economic viewpoint, not, necessarily, to oppose sustainable development policy, but to offer a different perspective. “This paper considers New Zealand’s current sustainable development policy in light of international approaches to sustainability which focus on maintaining stocks of natural, physical, institutional and human capital.”³⁹ Although written to inform the incoming government’s policy direction, the Government had already informally banned the word ‘sustainability’ by this time.⁴⁰ However, the advice from the NZIER report would be used later in the Treasury’s creation of the “Living Standards Framework.”⁴¹

One area that sustainability language remained was in the Government’s procurement policies. This was due to the Govt3 programme⁴², which was in place from 2003 to 2009. The programme had two major cross-cutting themes: sustainable procurement and energy efficiency. In particular, it focused on government buildings. These practices were captured in written policy. The *Australian and New Zealand Government Framework for Sustainable Procurement*⁴³ is a unique example of collaboration between two countries brought about by the sustainability agenda. Although the sustainability requirement remains in writing, it has been, mostly, ignored by the Government.

Another area that sustainable development language has survived is in the *Urban Design Protocol*.⁴⁴ The Protocol was a product of the SDPA’s focus on ‘Sustainable Cities’, which were viewed as complex systems where people’s social, environmental, economic and cultural well-being could be restored and regenerated. The voluntary nature of the Protocol has contributed to its continued commitment. However, the commitment level of its signers varies widely.

Sustainable Communities

Like the word ‘sustainability’, the language of urban affairs and urban development is also missing from the current Government’s policies. This is striking for a Government with such a strong focus on the economy. Internationally, cities are viewed as valuable economic engines and centres for future growth. Instead of being ignored, they are the centre of many governments’ economic recovery plans. Not only is the term missing in New Zealand’s current policy discussions, but, in a recent report, urban planning is cast as part of the problem, not the solution. “The prevailing principles and practice of urban planning have a negative influence on housing affordability in our faster-growing cities.”⁴⁵

New Zealand has a long history of sustainable community thought. Even before the *Sustainable Development for New Zealand Programme of Action* (SDPA) made sustainable cities one of its four key issues, the Crown, through Housing New Zealand

³⁹ NZIER (2009), p. 4

⁴⁰ South (31 October, 2009)

⁴¹ New Zealand Treasury (2011)

⁴² Govt3 programme (2009)

⁴³ Australian Procurement and Construction Council (2007)

⁴⁴ Ministry for the Environment (MfE) (2005)

⁴⁵ New Zealand Productivity Commission (2012), p. 102

Corporation, had a Community Renewal Programme. “Community Renewal was developed during 2000-2001 to address social exclusion, foster strong, sustainable communities, and promote change in the economic, social and physical environment in selected areas.”⁴⁶ An evaluation of this programme captured a variety of valuable lessons learned about building sustainable communities and social housing. In a recent review of New Zealand community development programmes, another list of valuable lessons from a range of government programmes was provided.⁴⁷

Of course, the SDPA was the main policy document that drew attention to sustainable cities. Why are sustainable communities important? “Over 85 per cent of New Zealanders live in towns and cities. This makes cities an essential focus for government action on sustainable development.”⁴⁸ There are important lessons learned from the outpouring of research that followed from this place-based focus that are critical to current social housing reform policy. Research was aimed at four areas of sustainable cities:

- “Better arrangements for integrated decision-making;
- Economic development and competitiveness;
- Improved provision of infrastructure and services; and
- Improved Urban Design.”⁴⁹

Although none of these areas resulted in significant policy changes, an *Urban Design Protocol*⁵⁰ was created and proposed for a National Policy Statement (NPS). “A NPS is a high level statutory document that provides direction to local authorities on matters of national significance.”⁵¹ The Protocol did not achieve NPS status, but it remains intact as a voluntary commitment and “currently has 158 signatories from central and local government, professional and private sector organisations.”⁵² It even lists appropriate roles for these various organisations. The Protocol contains a vision and mission statement that are still applicable and identifies seven essential design qualities.⁵³ Two more recent government reports on urban development provide insight into creating sustainable communities in New Zealand – *Building Sustainable Urban Communities*⁵⁴ and *Report and Recommendations of the Urban Taskforce*.⁵⁵ Both of these documents provide specific recommendations that can be used to inform the rebuilding of sustainable communities and social housing reform.

There was also an abundance of relevant research on the unique aspects of New Zealand’s concept of sustainable communities, which includes ‘strong sustainability’ and the inclusion of cultural well-being. The Ministry for the Environment published a report in October 2009 – *Rethinking our built environments: Towards a sustainable*

⁴⁶ *Community Renewal programme* (2008)

⁴⁷ Department of Internal Affairs (DIA) (2011)

⁴⁸ SDPA (2003), p. 19

⁴⁹ Ibid, p. 20

⁵⁰ MfE (2005)

⁵¹ MfE (2008), p. 1

⁵² DIA (2008), Appendix

⁵³ MfE (2005), p. 5

⁵⁴ DIA (2008)

⁵⁵ Building and Construction Sector (2009)

*future.*⁵⁶ This report applied the concepts from the ‘strong sustainability’ model to the built environment. A number of key messages emerged from the research document:

- “Addressing buildings, transport and infrastructure individually does not capitalise on a whole-systems approach advocated by proponents of cradle-to-cradle, restorative and regenerative development
- Cradle-to-cradle, and to a greater extent the restorative and regenerative concepts, are very different to current or conventional processes for creating and maintaining the built environment. A considerably wider definition of the built environment is needed to facilitate implementation of these approaches
- Of the four concepts investigated, eco-efficiency offers the least direct social and cultural benefits. The greatest potential economic, social, cultural and environmental benefits are achieved through a regenerative approach. However, regenerative development also requires the greatest shift in current thinking
- An integrated approach offers considerable value for all the development approaches discussed”⁵⁷

Besides research provided from government agencies, there was a host of institutions that explored sustainable communities. One of the leaders was the New Zealand Centre for Sustainable Cities,⁵⁸ which published several books. One of the works captured the unique cultural aspects of New Zealand sustainable communities – *Tāone Tupu Ora: Indigenous knowledge and sustainable urban design.*⁵⁹ Another interesting research report in this area is Karen Webster’s doctoral thesis – *Whakapiri tātou, hei manaaki tāngata, hei manaaki whenua: Effective governance for urban sustainability.*⁶⁰ The research finds that “For indigenous knowledge, both ancestral and contemporary, to be part of urban sustainability, it must not only be validated but must be explicitly recognised in local planning processes and requirements. Making such changes is not just a matter of law, but of actualising the partnership set down in law. Iwi and hāpu must be seen as significant partners in working towards urban sustainability, not as just one voice among many.”⁶¹

There is no shortage of research and thought on defining what a sustainable community looks like in New Zealand. The difficulty has been how to apply this knowledge in practice. Further deconstructing the sector using a systems approach, we will take the sustainable community system down to its basic building block – the home. It is at this level that New Zealand’s housing sector and social housing reform could be built from the bottom up. In fact, the *Building Sustainable Urban Communities*⁶² report recommends social housing redevelopment as one possible strategy for how the sustainable urban development approach might work in New Zealand. This approach could assist in the uplift of the entire housing sector and New Zealand communities.

⁵⁶ MfE (2009)

⁵⁷ Ibid, p. 38

⁵⁸ New Zealand Centre for Sustainable Cities (2012)

⁵⁹ Stuart & Thompson-Fawcett (2010)

⁶⁰ Webster (2009)

⁶¹ Stuart & Thompson-Fawcett (2010), p. 104

⁶² DIA (2008), p. 37

Sustainable Social Housing

New Zealand has a long history in social housing. New Zealand passed a Workers Dwelling Act in 1905⁶³ long before most governments became involved in housing. Like sustainability, social housing is part of New Zealand's national identity. The National Museum – Te Papa Tongarewa – has a display dedicated to social housing. The first worker's housing, built in Petone on 1905, is marked by a plaque commemorating this accomplishment. In 1983, the New Zealand Historic Places Trust registered 12 Fife Lane, Miramar, 'the first state house', built in 1937, as a place of 'very great social historical significance'.⁶⁴ Reforming part of the country's historical treasures is not a matter to be taken lightly. All the more reason to make sure those reforms build positively on that national identity.

The current push for social housing reform began with a recognition in the early part of the century that the current system was unsustainable. Housing was recognised as a key component in sustainable development and sustainable cities in *Building the Future: Towards a New Zealand Housing Strategy*.⁶⁵ Recently, the reform push has been accelerated by the current economic crisis and the realisation that housing is becoming increasingly unaffordable. Housing is also a major part of New Zealand's overall economy. Some estimates put total housing activity at 17% of the Gross Domestic Product.⁶⁶ The state housing portfolio is currently valued at over \$15 billion, making it the Crown's second largest asset.⁶⁷ New Zealand's current focus on social housing reform is an economic one, but recognises a systems approach. "Social housing is best thought of as a contribution to a complex set of social needs that typically occur in clusters."⁶⁸ It could be said that current reforms are actually a result of the Government's initial focus on sustainability, which then led to thinking about 'Sustainable Cities' and urban development. When cities were viewed as systems, the importance of housing and social housing in particular was revealed. Although the economic reasons and issues for social housing reform are important, it is also important to remember the environmental, social, and cultural aspects of reform.

Surprisingly, despite the historical focus and research on sustainability, there are no examples of sustainable social housing developments that use this knowledge. In dozens of interviews with those involved in the New Zealand social housing sector, no one could recommend a good example of a sustainable social housing development. The New Zealand Green Building Council could not find any examples of social housing with a 'Green Star' rating. In fact, only 18 homes nationwide have achieved that rating.⁶⁹ Of course, this does not mean that green and energy-efficiency improvements have not been made to social housing, but it does show that the Government has not led in the promotion of sustainability for one of its national treasures, despite the 'requirement' for government to apply sustainability standards

⁶³ *State housing in New Zealand* (2010)

⁶⁴ Ibid

⁶⁵ Housing New Zealand Corporation (HNZC) (2004)

⁶⁶ Ibid, p. 14

⁶⁷ HNZC (2011a), p. 5

⁶⁸ New Zealand Productivity Commission (2012), p. 216

⁶⁹ Cutler (2012)

to their buildings and procurement processes.⁷⁰ As early as 2002, Housing New Zealand Corporation (HNZC) created a development guide for social housing that aimed to raise the standard of social housing by providing housing that is ‘sustainable, functional and affordable’.⁷¹ However, even HNZC did not fully implement the sustainability guidelines in their developments.

There has also been a variety of research on the social benefits of housing. “As well as being driven by a sense of collective social responsibility, there are a number of expectations about what state housing can do for other social outcomes including health, education, and employment.”⁷² As the name implies, ‘social’ housing is meant to have not only economic benefits, but a variety of positive social outcomes. Conversely, poor social housing can have a negative impact on a person’s social well-being. For example, “the quality and affordability of housing is also closely linked to health outcomes.”⁷³ In New Zealand, compared to other countries, the cultural aspects of social housing are highlighted. But, again, cultural ‘issues’ are the focus rather than the potential cultural benefits. “Māori are disproportionately represented on state housing waiting lists. They are more likely to live in housing of poor condition compared with the rest of the population. Māori are also less likely than non-Māori to own their own house.”⁷⁴

The environmental, social, cultural, and economic issues surrounding housing led to an examination of the social housing sector. The Housing Shareholders Advisory (HSA) Group’s report – *Home and Housed: A Vision for Social Housing in New Zealand*⁷⁵- is the basis for current social housing reforms. The HSA Group’s vision for the future of social housing in New Zealand set the stage for future reforms: “We envision a future in which the public, private, non-government sectors and iwi all work in concert to ensure that every New Zealander has decent, affordable housing. It is a future where help for people with the highest level of need goes hand in hand with opportunity for those who are ready to move on. It is a future in which all providers of social housing play to their natural strengths, concentrating on the core activities that they do best.”⁷⁶

Underpinning this vision are four imperatives:

1. “Empowering HNZC to focus on the ‘high needs’ sector
2. Develop third-party participation
3. Instigate initiatives across the broader housing spectrum
4. Clarifying sector accountabilities and delivery expectations.”⁷⁷

The HSA Group came up with 19 recommendations that address social housing broadly. The purpose of these reforms followed international reform trends:

⁷⁰ Govt3 programme (2009)

⁷¹ HNZC (2002), p. 4

⁷² New Zealand Productivity Commission (2012), p. 217

⁷³ Ibid, p. 23

⁷⁴ Office of the Auditor-General (2011), p. 23

⁷⁵ HSA Group (2010)

⁷⁶ Ibid, p. 4

⁷⁷ Ibid, p. 4

1. “To curtail the State’s role in housing
2. To attract private funding
3. To increase the efficiency of the State’s investment in social housing.”⁷⁸

Not only were the objectives of New Zealand’s social housing reform similar to international trends, but the recommendations followed international trends too. These common themes were compiled in a Housing New Zealand Corporation report – *Public Housing International Best Practice*.⁷⁹

Conclusion

Social housing reform was born partly out of the current global economic crisis. However, economic issues are not the only drivers of reform. New Zealand’s long history of sustainability thought incorporates social, environmental, and cultural well-being along with economics. The knowledge gained from past sustainability research and policy provides a solid foundation to build a policy framework for the future; a framework that could inspire unique social housing policies that restore and regenerate a part of New Zealand’s national identity. The HSA Group report – *Home and Housed: A Vision for Social Housing in New Zealand* – was not only a call for social housing reform, but also recognised the successes of the past. “At the start of this report, we noted the advantaged starting position of New Zealand versus many comparable nations. The challenge now is to leverage that position into superior outcomes going forward so that, as a nation, New Zealand can meet the future housing challenges head on.”⁸⁰ The way forward in social housing reform and the creation of effective policy is the explicit use of a sustainability framework. Based on New Zealand’s sustainability experience, the framework would take into account the four systems and areas of well-being: economic, social, environmental and cultural. Incorporating all four areas of well-being into policy will result in more balanced and long-term effective policies – policies that last beyond the current economic situation. A ‘strong’ sustainable systems approach should also be taken. Policy outcomes would, then, be designed to restore and regenerate those systems.

Overall, social housing should be viewed as a key part of the sustainable communities system. This approach and way of thinking would have positive advantages in all four areas of well-being. Economically, social housing would not only be affordable, but it would contribute to improving the economic well-being of the tenant and community. Social housing development would contribute to restoring and regenerating the entire housing sector and New Zealand’s ‘green economy’. The house, itself, would be a green and energy-efficient system as well as properly placed to contribute to the overall environmental sustainability of the community. The home and community design would also improve the health, education and employment opportunities of the residents; restoring and regenerating the overall social well-being of the community. Social housing would be culturally sensitive seeking input on how to increase the mana of all inhabitants of Aotearoa. “Urban sustainability in Aotearoa New Zealand will be different from that in any other nation, informed by matauranga and based on

⁷⁸ HSA Group (2010), pp. 21-22

⁷⁹ HNZC (2010)

⁸⁰ HSA Group (2010), p. 89

participation.”⁸¹

⁸¹ Stuart & Thompson-Fawcett (2010), p. 105

2 PLANNING – SOCIAL HOUSING A PART OF THE SUSTAINABLE COMMUNITY INFRASTRUCTURE

Introduction

The Housing Shareholders Advisory (HSA) Group and the Better Public Services Advisory Group recognised state housing as the Crown’s second largest social asset at \$15.1 billion.⁸² Despite this, there is no requirement for a strategic plan at the national level or any planning processes for this asset. Compare this to the planning requirements for the Crown’s largest social asset – state highways, the contrasts are sobering. There are a variety of planning requirements at the national, regional and local levels for transportation. New Zealand Transport Agency’s (NZTA) whole-of-government and integrated planning models could be used to inform future social housing policy and planning.

The Ministry for the Environment also recognised the need for planning reform in their *Building competitive cities: reform of the urban and infrastructure planning system*.⁸³ Emphasising the need for better planning, the Government recently completed the *National Infrastructure Plan* (NIP) 2011,⁸⁴ which included a section on social infrastructure. Social housing was listed as a strategic part of the nation’s social infrastructure. With this renewed interest, the New Zealand Council for Infrastructure Development (NZCID) completed a series of policy advisory reports on improving infrastructure. Some reports examined social infrastructure, including more focused studies of social housing. NZCID concluded, “A feature of many successful economies is that they possess highly developed, well integrated planning, funding and implementation processes that both lead and support national development.”⁸⁵ The Māori Economic Development Taskforce also recognised this opportunity in social infrastructure development and housing.⁸⁶

The last national strategic plan for the housing sector was completed in 2005 – *Building the Future: The New Zealand Housing Strategy*.⁸⁷ The plan was created through an extensive consultation process with agreement that the housing sector was changing and evolving. “There was support during the consultation process for the Strategy to adopt an integrated or holistic view of housing, rather than one isolated from other policy areas. The Strategy recognises that housing policy can support wider goals – social, cultural and economic – and contribute to sustainable development. It takes a sector-wide approach, involving local government, communities and business, together with Housing New Zealand Corporation, the Department of Building and Housing, and other central government agencies.”⁸⁸ The plan recognised sustainability as a framework and the need for more integrated planning and was meant to be updated on a regular basis.

⁸² Better Public Services Advisory Group Report (2011), p. 57

⁸³ MfE (2010)

⁸⁴ National Infrastructure Unit (NIU) (2011)

⁸⁵ NZCID (2010a), p. 12

⁸⁶ Māori Economic Development Taskforce (2010b)

⁸⁷ HNZC (2005)

⁸⁸ Ibid, p. 5

Even with major reform occurring in the social housing sector and a major inquiry into housing affordability by the Productivity Commission⁸⁹, the *New Zealand Housing Strategy* has not been updated. The HSA Group did not specifically make any recommendations on planning, nor did the Productivity Commission. However, under the future sector arrangements initiative, the HSA Group did recommend: “Responsibilities for planning policy and support around affordable housing supply issues should be in one organisation, most likely DBH.”⁹⁰ In current reform, the Department of Building and Housing (DBH) was given responsibility for all housing policy at the national level, but was not required to develop a national strategy. Regional and local planning for housing and social housing are also not a requirement. There is a wide variety of planning practices at the local level with no clear accountability of who owns the housing issue. Further clarifying governmental roles in this sector and planning requirements would be helpful to New Zealand’s social housing reform efforts.

Social Housing Investment Plan

As a result of the changing social housing sector and the HSA Group report – *Home and Housed: A Vision for Social Housing in New Zealand* – the Government has started a long-term, major reform of the social housing sector. “To support the new direction for social housing, the Department of Building and Housing (DBH) became responsible for social housing policy advice to the Government from July 2011.”⁹¹ The Government agreed that the DBH should lead the Social Housing Reform Programme. This programme seeks four major outcomes:

- “Greater involvement of third-sector providers of social housing
- Housing New Zealand focussed on providing social housing to those with high needs, while their need lasts
- Increased effectiveness of financial assistance
- Aligning organisation and responsibilities of government agencies.”⁹²

This is not only a major shift in social housing policy, but also in the roles of DBH and Housing New Zealand Corporation (HNZC). Previously, HNZC was responsible for all social housing policy and implementation and DBH served in an oversight role. DBH still provides oversight of HNZC operations, but those operations are, now, limited to “management of the state housing portfolio and its tenants.”⁹³ DBH is not only responsible for all social housing policy, but is also involved in the supply of social housing. HNZC has since created their own strategic plan based on the changes – *Helping New Zealanders in their time of housing need*.⁹⁴ To achieve all of the desired outcomes of the Social Housing Reform Programme, DBH is responsible for working closely with not only HNZC, but a host of government agencies. DBH has not, yet, created a strategic plan. Understanding the need for a broader and whole-of-

⁸⁹ New Zealand Productivity Commission (2012)

⁹⁰ HSA Group (2010), p. 10

⁹¹ *Social Housing* (2012)

⁹² Ibid

⁹³ Minister of Housing (2012)

⁹⁴ HNZC (2011b)

government strategy on housing and social housing, this research examined the Government's focus on the supply-side policy, planning and action issues of social housing reform.

The Government established the Social Housing Unit (SHU) as part of the broader Social Housing Reform Programme. The SHU is a semi-autonomous unit within DBH. The purpose of the SHU according to their *Business Plan 2012/2013*: “As an operationally focused organisation, SHU is the Government’s expert operational advisor on, and deliverer of, growth in the supply of social and affordable housing through NGPs [non-governmental providers], and our role is to promote greater innovation, diversity and scale in the sector.”⁹⁵

At the time of this report, DBH and the SHU are working on creating a Social Housing Investment Plan. The Plan will not address all of the desired outcomes for social housing, but, according to the Interim Plan, focuses on the “supply-side delivery of social and affordable housing in New Zealand.”⁹⁶ The investment plan model fits well into one innovative approach to social housing policy that New Zealand is pursuing.

Social Infrastructure Planning

Social housing was mentioned in one national strategic plan – the central government’s *National Infrastructure Plan* (NIP) 2011.⁹⁷ “The National Infrastructure Plan is a strategic, future-focused document that places infrastructure in the context of economic and population growth. It seeks to provide common direction for how we plan, fund, build and use all economic and social infrastructure.”⁹⁸ The Plan is a twenty-year strategic plan with a three-year action plan that includes strategic opportunities in each of the infrastructure sectors. The strategic opportunities in the social infrastructure sector are: “Alternative approaches to the funding, delivery and management of assets and associated services; improved spatial consideration of social infrastructure to support growing communities; greater use of shared services by local government.”⁹⁹ Social housing is included in the Social Infrastructure section of the Plan. Some of the opportunities that the NIP outlines align with the Social Housing Reform Programme and the Social Housing Unit goals.

This idea of viewing social housing as infrastructure is not unique in New Zealand history. If we examine how social housing was thought of in what the HSA Group called the “Golden Age”¹⁰⁰ of social housing, we find some similar ideas: “Housing was to become a Public Utility, the right to live in decent dwelling being regarded as on the same level as the right to education, sanitation, to good and abundant water, to an adequate road system and to a certain amount of medical care. Probably it would be true to say that this premise has now gained fairly wide acceptance.... In these days, physically speaking, the house is a kind of knot in a network... with larger and

⁹⁵ Social Housing Unit (SHU) (2012a), p. 3

⁹⁶ SHU (2012b)

⁹⁷ NIU (2011)

⁹⁸ Ibid, Executive Summary

⁹⁹ NIU (2011), Executive Summary

¹⁰⁰ HSA Group (2010), p. 20

more complicated knots for shopping centres and other community facilities – all of which are necessary if people are to carry out easily the wide variety of activities that are our conception of civilized life.”¹⁰¹ At this point, the Government’s housing division was a part of the Ministry of Works – clearly being viewed as part of the community’s infrastructure.

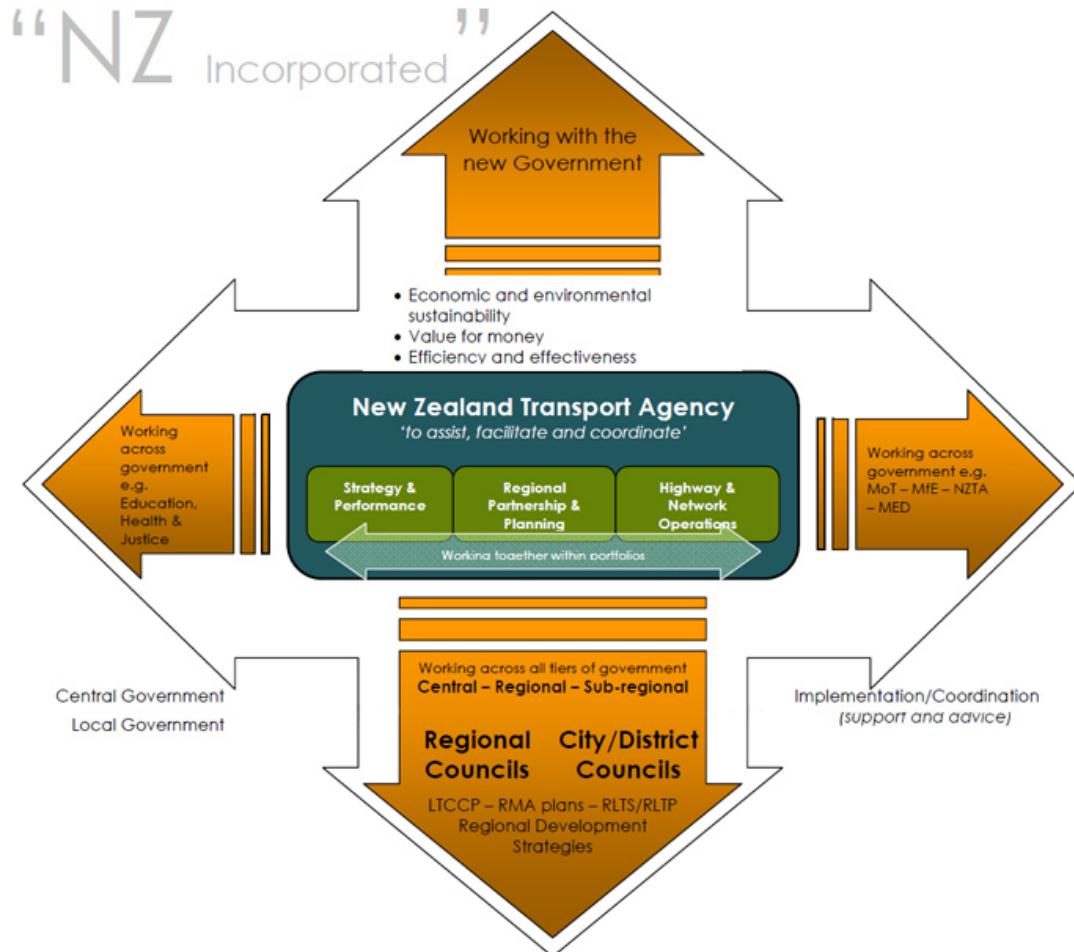
How does this view of social housing as part of the nation’s infrastructure assist in planning and action? The NIP provides a strategic framework that could advance the supply of social and affordable housing, while increasing the involvement of non-governmental providers in the sector. It also recognises the importance of creating an action or operational plan to give effect to the strategies. The plan understands the importance of an integrated strategy and describes the roles of not only the central government, but also local government, the private sector and Māori entities.

Using this infrastructure approach, it might be useful to examine other government agencies involved in infrastructure and their planning processes. The New Zealand Transport Agency (NZTA) is responsible for planning the Crown’s largest infrastructure asset – highways. NZTA’s planning processes might inform social infrastructure and social housing planning. Better coordinating planning processes would also assist in furthering a key sustainable development practice of linking housing and transportation. NZTA developed a whole-of-government working model. This model could work equally well for integrating social housing strategic policy.

¹⁰¹ Firth (1949), p. 8

The **whole** of government working model – from a NZTA perspective

- Working across the organisation to ensure good working matrix arrangements
- Working with the new Government to meet its state sector expectations
- Working across government to foster inter-agency cooperation and coordination
- Working across all tiers of government to ensure efficient and effective implementation

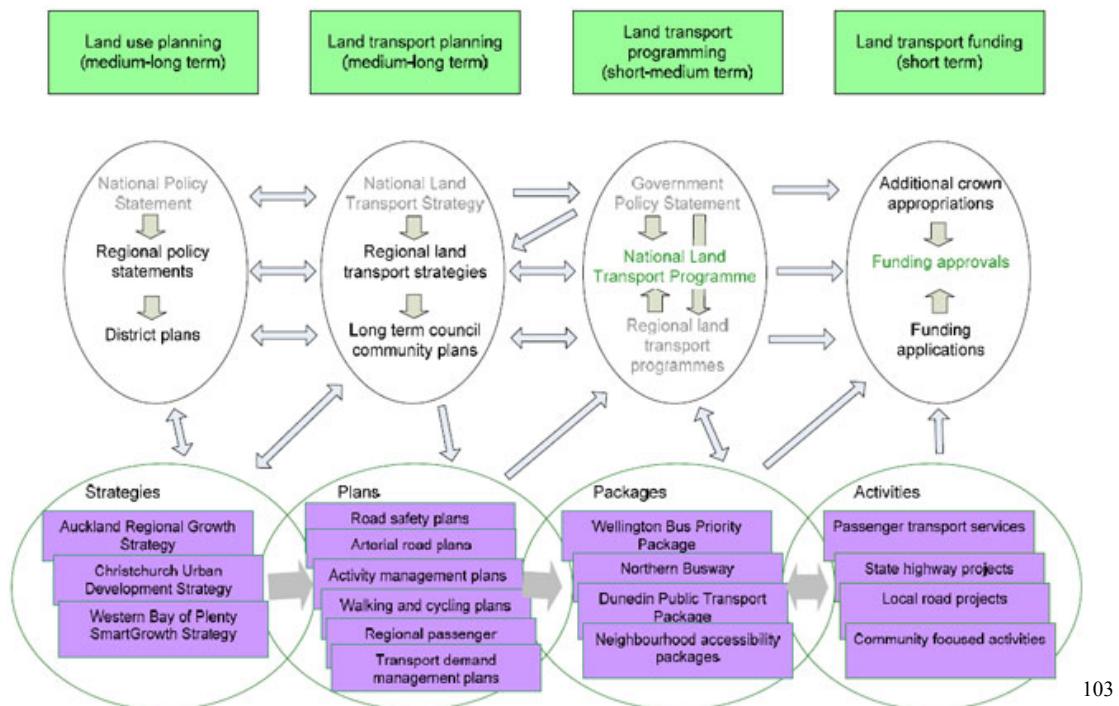


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NZTA has also developed an integrated action planning model that could also work well with social housing planning. A diagram of this model is on the following page.

¹⁰² *Whole of government working model* (2009)

Integrated Planning Diagram



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Land transport language would simply be replaced with housing and social housing planning language. Although there are not any National Policy Statements or National Strategies on housing and social housing at this time, this does not prevent regions and local councils from including housing in their plans. Many of the Strategies listed already include housing, and some local councils have included housing in their plans. The packages could be neighbourhood development plans. The activities would be specific site developments.

In the Social Infrastructure sector, the NIP has identified key issues: accountability and performance, investment analysis, funding mechanisms and coordination.¹⁰⁴ The NIP also established some broad goals for the social sector:

- “Provide social services in a manner that is both affordable and provides for the well-being of communities.
- Promote the use of accurate performance measures so that the value for money can be assured.
- Actively manage balance sheets to ensure the role of assets owned by the government remain clear, and where necessary, new assets are acquired while surplus assets are divested.
- Ensure that rigorous and consistent analysis is used so that the right assets are procured, at the right time, and using the right method.

¹⁰³ Integrated planning diagram (2009)

¹⁰⁴ NIU (2011), p. 46

- Central and local government are well coordinated and exploit synergies in the building and delivery of services.
- Social assets are delivered using the best model for whole of life cycle cost consideration, and which deliver the best value for money services.
- Governments consider the broader strategic outcomes sought from the management of and investment in social infrastructure assets, including a spatial and network dimension.”¹⁰⁵

These goals recognise the need for a sustainable framework to “provide for the well-being of the community.” They also highlight the need for both horizontal and vertical integration in social infrastructure planning. The concepts could equally be applied to social housing planning and reform.

The NIP also includes a Three-year Action Plan with several actions:

1. “Central government will commit to developing and publishing a ten-year Capital Intentions Plan for infrastructure development to match the planning timeframe required of local government.
2. Increase understanding of and encourage debate on the use of demand management and pricing in infrastructure sectors.
3. Improve access to information on current infrastructure performance to create certainty about when, where, and how infrastructure development is occurring, including consideration of whole of life costs.
4. Develop performance indicators for each sector on the stock, state and performance of central and local government infrastructure assets as well as those managed by the private sector.
5. Work with regions to develop more strategic infrastructure planning at a macro-regional level. Consider where adoption of spatial planning would produce optimum outcomes, particularly in metropolitan areas.
6. Improve scenario modelling to more accurately project likely infrastructure investment requirements from the short to very long-term.
7. Use lessons from Christchurch to significantly enhance the resilience of our infrastructure network.
8. Explore alternative sources of funding, and implement funding tools that can be used to manage the current portfolio more effectively.”¹⁰⁶

The Department of Building and Housing (DBH) and the Social Housing Reform Programme should link into the overall infrastructure planning work of the central government. The movement of DBH into the new Ministry of Business, Innovation and Employment might facilitate this.

Besides highlighting the importance of both strategic and operational (or action) planning, the NIP also includes some indicators for what success looks like in the social infrastructure sector:

¹⁰⁵ NIU (2011), p. 47

¹⁰⁶ Ibid, Executive Summary

- “Service outcomes are specified and used as a basis for determining asset performance across all sectors.
- Asset procurement uses a whole-of -life cycle cost approach.
- Spatial coordination of government investment, including co-location of services (particularly in Auckland) is increased.
- Procurement efficiency, including use of alternative procurement methods, is increased.
- Capital intensity (e.g. value of assets used to deliver a service relative to number of users).^{”¹⁰⁷}

Viewing social housing as infrastructure would also allow policy makers to incorporate the considerable amount of research that has been done on sustainable infrastructure development.¹⁰⁸ It provides some unique and innovative ideas about planning, funding and procurement.

The inclusion of social infrastructure and social housing in the NIP has already led to other sector interests and perspectives on social housing. The New Zealand Council for Infrastructure Development (NZCID) examined social housing and published several reports. *Policy Priorities for Advancing Economic Infrastructure Development in New Zealand*¹⁰⁹ was focused on economic infrastructure, but many of the ideas on infrastructure leadership, planning and governance are also applicable to the social infrastructure sector. The recommendations include:

1. “Recognition that provision of public infrastructure is an essential pillar of national development and productivity growth.
2. Development of a prioritised twenty year New Zealand Infrastructure Strategy as a lead component of the government’s overarching plans for social, economic, and environment development.
3. Formation of an Infrastructure Cabinet under leadership of a Minister for Infrastructure to provide strategic oversight at the highest level of government.
4. Appointment of a joint public and private sector infrastructure council.
5. Review of local body governance structures and processes to ensure alignment between national, regional and local government accountabilities for infrastructure development.
6. Leveraging social, economic and environmental development through prudent use of public and private sector debt to fund the infrastructure necessary for growth.
7. The paper sets out a range of options for legislative reform.”¹¹⁰

NZCID, also, developed common “best practice” themes: “First, infrastructure is recognised as a fundamental platform for national development. Secondly, effective

¹⁰⁷ NIU (2011), p. 48

¹⁰⁸ Boyle and others (2010)

¹⁰⁹ NZCID (2010a)

¹¹⁰ Ibid, p. 3

infrastructure development is seen to require central government leadership and coordination. Thirdly, there is strong alignment between national, regional and local strategies.”¹¹¹ The paper also recognised sustainability as a framework: “Sustainable development would be an overriding imperative of the strategy by achieving balance between economic, social, cultural and environmental dimensions of a better quality of life.”¹¹² NZCID also published *Insights for New Zealand: Infrastructure Development in Comparative Nations*¹¹³ that also adds some valuable insights on integrated planning from a global perspective. With the inclusion of social infrastructure in the National Infrastructure Plan (NIP), NZCID took a closer look at social housing. “In May 2011, the NZCID and the Australian Trade Commission led a delegation of around 30 public and private sector, social and community housing industry representatives to Australia. The purpose of the visit was to investigate alternative methods for delivering non-private housing stock which might be applicable to New Zealand.”¹¹⁴ This was an examination of social housing action planning down to the project level.

The Māori Economic Development Taskforce also recognised the importance of this social infrastructure approach. “The Taskforce is looking to contribute to the thinking about how Iwi Māori can examine different models of collaboration, based on kaupapa principles and commercial structures, to help improve the utilisation of Māori assets. This work programme has been progressing alongside a debate over the last 18 months around New Zealand’s infrastructure asset base; this includes questions around how it should be managed, different ways of maintaining and developing the asset base and the importance of good infrastructure investment for enhancing economic growth and social well-being. Iwi leaders have been at the forefront of this debate since the election of the current government.”¹¹⁵ This social infrastructure approach to social housing was further highlighted by the Chairman of NZCID’s keynote address at the 2012 National Māori Housing Conference entitled “Social and Affordable Housing – the Big Infrastructure Opportunity for Māori.”¹¹⁶

Viewing social housing as infrastructure also highlights the role of local government in the planning process. The Productivity Commission asked “Who is responsible for providing infrastructure?” Their answer: “In New Zealand, councils have generally been responsible for constructing major economic infrastructure.... Councils also provide social infrastructure.... Not all councils provide all of these services and the mode of delivery and funding may vary from place to place.”¹¹⁷ Past studies on *Local Government and Affordable Housing*¹¹⁸ have recommended more local involvement in social housing planning. “All councils need to develop local housing strategies that specify and develop policies and actions for:

- Identifying and addressing the housing needs of population groups vulnerable to unaffordable housing

¹¹¹ NZCID (2010a), pp. 13-14

¹¹² Ibid, p. 16

¹¹³ NZCID (2010b)

¹¹⁴ NZCID (2011), p. 2

¹¹⁵ Māori Economic Development Taskforce (2010b), p. 2

¹¹⁶ Rae (2012)

¹¹⁷ New Zealand Productivity Commission (2012), p. 128

¹¹⁸ Centre for Housing Research Aotearoa New Zealand (CHRANZ) (2007)

- Leveraging housing outcomes for economic and social benefits in the community
- Linking housing outcomes to transport, environmental sustainability and infrastructure outcomes.¹¹⁹

Despite recommendations from various studies throughout the years, housing and social housing planning at the local level still varies widely. The recent Auckland Spatial Plan does include references to housing and social housing.¹²⁰ There was also an interesting study of “*integrating social and spatial planning.*”¹²¹ Other communities have created a “Social Infrastructure Planning Framework.”¹²² The Christchurch City Council even developed a local *Social Housing Strategy*.¹²³ Still other communities include references to housing and social housing in their Long Term Council Community Plans. These Plans are required under the Local Government Act to provide for the social, economic, cultural, and environmental well-being of residents. Surely, social housing contributes to the well-being of residents and the sustainable community’s infrastructure.

Conclusion

“Transitioning to the new strategy will not happen overnight. Nonetheless, the HSA Group believes that considerable progress is possible within a five-year planning period.”¹²⁴ The key to turning this thought into action is planning. However, already two years into the transition period, some planning and action will have to happen simultaneously for considerable progress to be made. Strategic planning and policy must be developed in conjunction with operational plans and policy. Policy on how to increase the overall supply of social housing and participation of non-governmental providers must be developed at the same time as sustainable social housing is being planned and built. Considerable thought should be given on how to create a mechanism for operational policy to inform strategic policy and vice versa throughout this transition period and beyond.

The Social Housing Reform Programme is still in a transition and plans are currently under way. However, there does not seem to be an overarching strategic plan guiding this transition with a clear direction on desired outcomes and future sector arrangements. A whole-of-government plan across central government agencies involved in social housing would be useful. This plan should also include vertical integration down to the local level. An effective planning process would help clarify government roles in social housing. Social housing (built on the sustainability framework outlined earlier) would include the economic, social, environmental, and cultural aspects of housing. Social housing planning could incorporate ideas from the social infrastructure approach already being pursued and seek to integrate all community infrastructure. Operational plans could also use elements from this approach. Effective strategic and operational plans would not only be useful for the

¹¹⁹ CHRANZ (2007), p. 46

¹²⁰ *Auckland Plan* (2011)

¹²¹ Rowe & Davies (2010)

¹²² Waitakere City (2007) and Western Bay of Plenty (2009)

¹²³ Christchurch City Council (2007)

¹²⁴ HSA Group (2010), p. 87

Government, but are equally important for the non-governmental sectors. One of the primary stated objectives of New Zealand's social housing reform is to increase non-governmental providers. It is unlikely this will happen without plans that offer some clarity and stability in the social housing sector. It also unlikely that the supply of social housing will reach targeted levels without some specific plans for project-level action.

3 ACTING – SUSTAINABLE COMMUNITY PARTNERSHIPS

Introduction

It is clear that government action, alone, is no longer effective in achieving the desired results in the social housing sector. The Department of Building and Housing (DBH) acknowledged this as one of the key issues identified by the Housing Shareholder's Advisory (HSA) Group: "current social housing (including state housing) is not sustainable – it is failing to meet the needs of a growing number of New Zealand households, and is becoming increasingly unaffordable for Government."¹²⁵ The HSA Group believes the answer to this dilemma is partnerships. "The envisaged outcome in five years is that an agency will have catalysed significant increases in new partnerships, funding opportunities and approaches for state and social housing as a whole."¹²⁶

The importance of partnerships in New Zealand government action has been highlighted from the beginning of the sustainability agenda, through sustainable community planning to today's Social Housing Reform Programme. The foreword of the *Sustainable Development for New Zealand Programme of Action* began with "Partnership is at the heart of the sustainable development approach."¹²⁷ The Urban Taskforce dedicated an entire section of their *Report and Recommendations*¹²⁸ on partnerships. They concluded; "Partnering is inevitably needed."¹²⁹ Currently, the Social Housing Unit has recognised partnerships as part of their core values. "We are a partnership focused and forward looking organisation."¹³⁰ The questions then become: What do we mean by partnerships? Who are we partnering with and for what reason(s)?

Public Private Partnerships (PPPs)

There are a variety of definitions of partnership from a purely contractual to a more personal relationship. Broadly, partnership is a cooperative relationship between people or groups who agree to share responsibility for achieving some specific goal(s). The Government is not the only sector recognising the value of partnerships. More and more, the private sector (especially sustainability focused organisations) understands the value of partnering to achieve outcomes beyond just the economic bottom line. For example, Pure Advantage describes themselves as "a group of business leaders determined to deliver world-leading improvements to our economy, our environmental performance and the living standards of all New Zealanders."¹³¹ "Together we can help build New Zealand's advantage— our Pure Advantage"¹³² is a partnership theme developed in their recent report – *New Zealand's Position in the*

¹²⁵ *Social housing* (2012)

¹²⁶ HSA Group, (2010), p. 6

¹²⁷ SDPA, p. 5

¹²⁸ Building and Construction Sector (2009)

¹²⁹ Ibid, p. 15

¹³⁰ SHU (2012a), p. 11

¹³¹ *Pure Advantage* (2012a)

¹³² *Pure Advantage* (2012b), p. 11

Green Race. This concept of partnerships between the public and private sector to accomplish (what in the past were thought of as purely) public services is gaining international acceptance. Public Private Partnerships (PPPs) have progressed to the point where they have developed their own language and concepts. Infrastructure development is one area where the use of PPPs is becoming more prevalent. New Zealand has cautiously turned to this model. “The Government has established a specialist infrastructure unit, the National Infrastructure Unit (NIU), within the Treasury to assist it to meet its objectives to permanently lift the sustainable growth rate of the economy.”¹³³ “The National Infrastructure Unit’s role is to take a national overview of infrastructure priorities – providing cross-government co-ordination, planning and expertise. Its responsibilities include:

- Formulating, and monitoring progress on, a 20-year National Infrastructure Plan (to be updated every three years).
- Establishing robust and reliable cross-government frameworks for infrastructure project appraisal and capital asset management, and monitoring the implementation and use of those frameworks.
- Providing support and guidance to government agencies in the preparation of PPPs.”¹³⁴

The NIU has been developing a ‘PPP Toolkit’ that includes *Guidance for Public Private Partnerships (PPPs) in New Zealand*.¹³⁵ The NIU acknowledges that “Public Private Partnerships (PPPs) can refer to many different kinds of relationships between the government and the private sector, but these guidelines use the term to refer to long-term contracts for the delivery of a service, where the provision of the service requires the construction of a facility or asset, or the enhancement of an existing facility.”¹³⁶

“The government has agreed that for all new capital projects greater than \$25 million an alternative procurement method such as PPP must be considered.”¹³⁷ The Government’s interest in PPPs sparked a flurry of activity and interest from the private sector and others. There were several recent conferences held on PPPs in economic and social infrastructure development. Many of these meetings were concerned with getting the procurement model right. The Māori Economic Development Taskforce completed a background paper – *Public Private Partnerships, Inter-Iwi Co-Investment and Economic Development*. “Public Private Partnerships (PPPs) are a way of commercially partnering with the Crown that are used extensively overseas, but only just emerging in Aotearoa New Zealand. PPPs typically involve some form of infrastructure, and New Zealand urgently needs investment in infrastructure to maintain and enhance our economic development as a nation. Iwi and hapu are attractive commercial partners for the Crown because of our intergenerational investment outlook, the guaranteed retention of New Zealand ownership and conservative approach to commercial endeavours.”¹³⁸

¹³³ NIU (2009a)

¹³⁴ Ibid

¹³⁵ NIU (2009b)

¹³⁶ Ibid, p. 1

¹³⁷ NIU (2011), p. 47

¹³⁸ Māori Economic Development Taskforce (2010a), p. 24

Local governments were also exploring the PPP model for affordable housing. A research paper written for the Waitakere City Council, *Public Private Partnerships for Funding Affordable Housing Developments in New Zealand*, outlined the key components for affordable housing partnerships:

- “Access to land or property at reduced cost – including discounted market price, leasehold, deferred payments and the effect of planning policy
- Access to finance such as grants, deferred loans or loans at below market interest rates
- The incorporation of debt finance based on a net income stream
- Management expertise: particularly the capacity to manage development risk and ongoing management risk
- Non-profit, charitable or community trust status of housing organisations: enabling profits to be foregone; accessing finance on more favourable terms; and maximizing tax exempt status
- A broader range of household incomes for the household group being targeted, including moderate income households
- Opportunities for cross-subsidisation within and between development(s)
- Good quality design that is highly energy and water efficient to minimize residents’ outgoings
- Local council support through the planning process and through contributions to the partnership of resources and/or implicit subsidies
- The support of the local community
- Mechanisms that retain the housing as affordable into the future.”¹³⁹

Although the specific components can be debated, the report recognised that this is a unique partnership with a unique set of requirements. The report also pointed toward general ways forward: “There are three inter-related steps that have to be taken: establishment of objectives and targets; identification of potential partners and resources; and selection of the appropriate model for each scheme.”¹⁴⁰

The community housing sector (third sector) has also realised the importance of partnerships. As stated in their recent strategic plan, *Building Houses Building Communities: A Strategy for New Zealand’s Community Housing Sector*, “The sector has traditionally looked to Government for assistance and in doing so has tended to ignore the role which the private sector, local government, community and iwi/hapu can and do play in the housing process. The downturn in the housing market and economy in general provides an opportunity to look at new ideas and approaches. Although the community housing sector already has such alternative approaches, if they are to become a reality the community housing sector itself needs to promote them and begin to build partnerships with other sectors outside of Government. These partnerships need to be both tangible and tightly defined so that they are attractive to

¹³⁹ Austin (2008), p. 7

¹⁴⁰ Ibid, p. 38

would be partners.”¹⁴¹

In each of the sectors, public, private and third (non-profit and community), there are both proponents and opponents of the PPP model. “Despite a wealth of international examples of the use of Public-Private Partnerships (PPPs) for large scale housing regeneration and development, there is an element of uncertainty about how the interests of government, the private sector and the community housing sector can be met so that they become a reality in New Zealand. Specifically, the problem that public, private and community sector parties will need to solve in the near future is how to work together in partnership to plan, construct and operate social and community housing developments in New Zealand on a larger scale.”¹⁴² Although each sector has had conversations within their sector about PPPs, there has not been agreement between the collective partners about what the partnership model should look like. “While it may seem a relatively simple question, the issue of better value overall, and better value for money in particular, is by no means an easy one to decide-either in favour of PPPs or against them. Complexity arises for at least three reasons: Firstly, there is the question of timeframes. The second complexity arises around delivering social benefits. The final complication is around political change.”¹⁴³ These are valid concerns and may have more to do with the way PPPs are defined in current New Zealand guidance. The PPP model developed for economic infrastructure might not be entirely applicable to social infrastructure. International concepts of partnerships, PPPs, and their use should be further examined to construct a partnership model that fits New Zealand’s unique circumstances.

The National Infrastructure Plan outlined: “Central government has two key roles: Regulator and Provider”¹⁴⁴ in infrastructure development. Others have suggested that government should move beyond these traditional roles.¹⁴⁵ “In this case, as in others, local government and central government agencies might obtain better outcomes by moving away from their role as rule enforcers and instead don the mantle of facilitators in the negotiation process, bringing together those disparate voices in a collaborative effort.”¹⁴⁶

Based on this conceptual shift in government roles, the emphasis on infrastructure, especially social infrastructure, and the PPP model, the New Zealand Council for Infrastructure Development (NZCID) issued a series of reports and sponsored an exploratory trip to Australia. “The purpose of the visit was to investigate alternative methods for delivering non-private housing stock which might be applicable to New Zealand.”¹⁴⁷ The delegation visited three social housing developments: the ‘Carlton’ used a traditional bid approach; the ‘Kensington’ added to the traditional approach a community housing organisation responsible for on-going property and tenancy management; finally, the ‘Bonnyrigg’ was a traditional PPP between the government and a private consortium. “Based on the learnings from the Australian experience, NZCID has identified the following critical success factors necessary to promote the

¹⁴¹ Community Housing Aotearoa (CHA) (2010), p. 7

¹⁴² McCartney (2011), p. 4

¹⁴³ Johnson (2011), pp. 1-3

¹⁴⁴ NIU (2011), p. 4

¹⁴⁵ Ryan & Gill (2011)

¹⁴⁶ Vallance (2007), p. 232

¹⁴⁷ NZCID (2011), p. 2

long term economic and social sustainability of social housing projects:

- Development of adequate scale to generate commercial returns
- Ensure the value of the developer's investment is tied to achieving a positive social outcome and whole of life asset management
- Partnership with the Council around improved surrounding urban design”¹⁴⁸

“The Kensington model was the preferred model as determined by the group based predominately on observation of the end result. The community-led approach, with strong, dedicated, on-site management provided the best individual model for replication in New Zealand. It is possible, however, that a hybrid of the Bonnyrigg and Kensington procurement approaches could produce even better outcomes if the contract phase of the Bonnyrigg approach could be streamlined and led by a specialist housing organisation.”¹⁴⁹ This ‘hybrid’ approach might be a better partnership model for social housing development in New Zealand.

Sustainable Community Partnerships

The recommendations seem to suggest that the ‘traditional’ PPP model does not quite get the procurement model right, especially when developing social infrastructure. This lesson was not unique to New Zealand. Other countries have recognised that incorporating social outcomes into the traditional PPP model is not always effective. The partnership needs to grow to include a representative from at least the social/third sector, such as a community housing provider. One country, Austria, has done extensive research on this partnership model. The EQUAL project is recognised internationally for creating a model that defines this unique partnership. “Public-social-private partnerships (PSPPs) are projects in which state agencies, private enterprises and social enterprises work together to achieve social goals that none of them could achieve on their own. The name is borrowed from ‘public-private partnership’, but the essence of PSPPs is the involvement of social enterprises and their ability to couple social services with commercial business activities.”¹⁵⁰

The EQUAL project goes on to describe how to build a successful partnership. “The PSP Partnership for better social sustainability and corporate responsibility will succeed if …

- The social issue is a common accepted goal!
- All partners gain from the implementation
- Roles of the partners are clearly defined
- Risks and benefits are divided between partners
- There is time and energy to work on common accepted decisions and conflicts
- Partnership is planned long-term

¹⁴⁸ NZCID (2011), p. 4

¹⁴⁹ Ibid, p. 4

¹⁵⁰ PSPP Manual (2007)

- There is an on-going management and controlling
- Partners trust each other
- Partners keep their identity”¹⁵¹

The inclusion of social outcomes changes the traditional PPP model. New Zealand’s sustainability model, which includes not just economic and social outcomes, but also environmental and cultural outcomes, would require further adjustments to the traditional PPP and PSPP models. An effective New Zealand partnership model for social housing should focus on shared sustainable outcomes and enhance the individual partner organisations. This was the vision of the Housing Shareholders Advisory (HSA) Group, “We envision a future in which the public, private, non-government sectors and iwi all work in concert to ensure that every New Zealander has decent, affordable housing. It is a future where help for people with the highest level of need goes hand in hand with opportunity for those who are ready to move on. It is a future in which all providers of social housing play to their natural strengths, concentrating on the core activities that they do best.”¹⁵² A sustainable partnership benefits all of the partners. Using this approach, the government sector would not only obtain more effective and efficient use of their social housing assets, but would also benefit from the knowledge they gain from the partnership and the uplift of the partners. The private sector would not only gain financially, but would benefit from learning new sustainable building practices and how to incorporate social responsible practices into their business model. The third sector would benefit by being able to more effectively fulfil their social mission, while increasing their capacity and business skills.

Finally, another unique aspect of social housing PPPs is that they are by nature place-based partnerships. The Urban Design Protocol recognised the importance of place-based thinking and planning.¹⁵³ Housing New Zealand Corporation (HNZC) used a place-based action strategy in their model Community Renewal programme.¹⁵⁴ NZCID highlighted partnering with local government as one of the “critical success factors”¹⁵⁵ in a sustainable social housing development. Place-based partnerships are not just important to the public sector. Private sector housing providers, community housing providers and iwi are also focused on placed-based action. Building a sustainable community partnership for social housing development goes beyond the traditional PPP model and is unique for the different outcomes it seeks for each individual community.

Conclusion

Both international best practice and New Zealand research recognise that effective social housing reform requires more than just government action – building sustainable social housing infrastructure and communities requires partnerships. New Zealand has cautiously adopted the partnership model in public service provision –

¹⁵¹PSPP Manual (2007)

¹⁵² HSA Group (2010), p. 4

¹⁵³ MfE (2005)

¹⁵⁴ Community Renewal Programme (2008)

¹⁵⁵ NZCID (2011), p. 4

and rightly so. Evidence has shown that getting the model wrong can not only result in inequities, but can miss achieving the shared outcomes that are the partnership's purpose. Currently, the Government is focused on achieving economic outcomes by partnering with the private sector. This is a step beyond government action alone toward partnership. However, it may not be the best 'fit' with the current direction in New Zealand social housing reform and the desire to increase third sector participation. It also does not address all of the sustainable outcomes social housing reform seeks to achieve.

"The New Zealand Government has stated that it will consider PPPs where the structure offers superior value-for-money over traditional procurement approaches. PPPs are likely to offer better value-for-money where:

- There are significant opportunities to innovate in asset design and to improve whole-of-life asset management;
- There are opportunities to innovate in terms of the services delivered from assets;
- There are real opportunities for risk transfer; and
- The PPP can act as a catalyst for change."¹⁵⁶

A partnership that is truly 'innovative' and 'catalyst for change' will require shared outcomes that go beyond just a 'better value-for-money' case. Partnerships must be built on sustainable outcomes. These outcomes include not just economic factors, but also social, environmental and cultural outcomes. "The sustainability agenda requires housing market players who are adept at forging partnerships and making links to education, jobs, health services and other parallel drivers of household and community well-being."¹⁵⁷ The partnership model must reach out to not only the private sector, but all those partners involved in the community's well-being. This includes the private sector along with government at both the central and local levels. It also includes the third sector, iwi and the community. This emphasis on community points to a place-based sustainable community partnership model.

During the development of a partnership model that works for New Zealand, the Government must not forget the ultimate purpose of the partnership is to provide better outcomes for all. "The state is there for all its citizens: rich and poor, vulnerable and powerful, and the role of government is to ensure that our various social, political and legal freedoms are maximised and not shackled by long-term commercial contracts that limit the public control and scrutiny of our public services."¹⁵⁸ The outcomes the Government chooses to focus on will determine how partnerships for social housing develop and, ultimately, their overall effectiveness.

¹⁵⁶ NIU (2010), p. 1

¹⁵⁷ CHRANZ (2007), p. vii

¹⁵⁸ Johnson (2011), p. 3

4 MEASURING – SUSTAINABLE RETURN ON INVESTMENT (SROI)

Introduction

‘What gets measured gets done’. This phrase has been used so often it is difficult to trace back to its original author. However, its frequent use signals its relevance and practical truth. Unfortunately, measurement is one area of policy making that often gets overlooked or added as an afterthought. Performance measurement recognises the importance of measuring outcomes not just after a policy has been implemented, but, equally, throughout the process. Merely having an outcome focus can affect the policy direction. This concept was captured succinctly by John Rae from the New Zealand Council for Infrastructure Development in his keynote address on social housing at the 2012 National Māori Housing Conference:

“Coupled with the quest for Game changers, the final element that leads me to believe that we are looking at an opportunity to make a real difference is a slight change of language that is starting to get significant traction within Government and many of its institutions around the infrastructure space – and including Treasury which is critical in all of this. This element is two simple but potentially extremely powerful words ‘OUTCOMES FOCUS’. ‘Outcomes focus’ simply means defining projects by their social, economic and environmental objectives rather than in terms of their physical form. Using an outcome focused framework would mean those commissioning infrastructure would have to very clearly identify exactly what we want to achieve from the project and then allowing the private sector to use their lateral thinking to find innovative ways to deliver such results. As an example, the Wiri Prison PPP has many requirements that contractors have to deliver on as part of their bid process – but many of them are focussed on such elements such as reduction in reoffending for released inmates, improvement in inmate education and improved reintegration of prisoners into society when released. All of these are required to be ‘bid on’ by the consortia involved and this creates fantastic innovation and dare I say it ‘game changing’ thinking around what an ‘outcomes focussed’ prison could look like.”¹⁵⁹

What would outcomes focused social housing look like? What should be measured and how should it be measured? These are the questions social housing reformers should ask. Sustainable social housing depends on a balanced approach to social, economic, environmental, and cultural well-being. Effective social housing policy depends on effective performance measurement. To guide social housing reform, measurements should be taken at different times and levels throughout the policy process. This includes strategic measurements that examine long-term, global outcomes. It also includes intermediate, planning outcomes and short-term, project level outcomes.

¹⁵⁹ Rae (2012)

Well-Being – Living Standards

At the strategic level, the ultimate outcome of the sustainability model is both individual and community well-being. The New Zealand Treasury recognised sustainability as key in the development of their paper *Working Toward Higher Living Standards for New Zealanders*.¹⁶⁰ “Consideration of sustainability has led to new approaches to measuring living standards.”¹⁶¹ In this paper, Treasury developed a ‘Living Standards Framework’ for policy development. The Framework provides a strategic level measurement of policy. “In summary, the Framework recognises the following five elements:

- There is a broad range of material and non-material determinants of living standards (beyond income and GDP);
- Freedoms, rights and capabilities are important for living standards;
- The distribution of living standards across different groups in society is an ethical concern for the public, and a political one for governments. It also has efficiency implications, into which empirically-based economic analysis can provide useful insights;
- The sustainability of living standards over time is central to ensuring that improvements in living standards are permanent, with dynamic analysis of policy needed to weigh up short and long-term costs and benefits; and
- Measuring living standards directly using self-assessed subjective measures of well-being provides a useful cross-check of what is important to individuals.”¹⁶²

Treasury used well-being research to develop the Living Standards Framework, but took a more economic and individualistic approach. The measurement of living standards is essentially the same as well-being. However, the approach is slightly different. It uses a more objective capital approach. “The Framework draws on a vast theoretical literature to identify a broad range of factors that contribute to living standards. It brings these factors together in a ‘capital stocks and flows’ approach that includes four types of capital:

- Financial and physical capital, which includes infrastructure, housing and wealth
- Human capital, which includes health and skills
- Social capital, which includes institutions and trust
- Natural capital, which includes the stability of the climate, quality of water, as well as biodiversity.”¹⁶³

“The capital approach has gained significant support from academics, statisticians and

¹⁶⁰ New Zealand Treasury (2011)

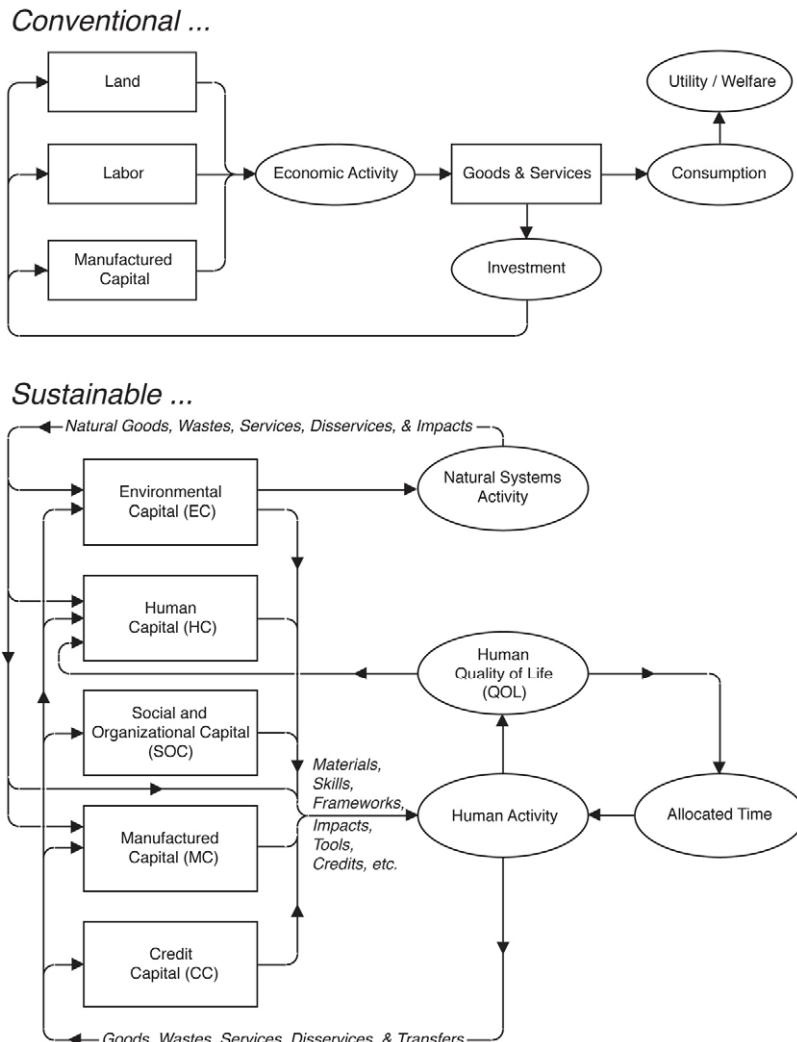
¹⁶¹ Ibid, p. 14

¹⁶² Ibid, pp. 16-17

¹⁶³ Ibid, p. 30

institutions.”¹⁶⁴ It is important to note that this approach was created by economists developing an alternative view to conventional economics. Robert Gilman in *Design For A Sustainable Economics*¹⁶⁵ contrasts this capital approach in a model.

Two Views Of Economic Reality



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The implications of this model go beyond just the approach taken, but also redefine outcomes and measurements. “Conventional economics was developed at a time when the model for conceptual systems was Newtonian physics – simple, linear chains of cause and effect that could be modelled with numerical precision. Today, we understand that most of life – from biological systems, to climate, to social systems – doesn’t fit the Newtonian model. The leading edge of theory now has to do with complex, highly interactive, highly non-linear systems for which numerical precision is not possible. Nevertheless, simply determining a good set of components connected by the appropriate feedback loops to represent these complex systems can lead to

¹⁶⁴ New Zealand Treasury (2011), p. 14

¹⁶⁵ Gilman (1992)

¹⁶⁶ Ibid, p. 3

great insight and useful results. The old rule used to be: If you can't measure it, don't include it. Today's rule is: Include elements on the basis of their likely significance, not their measurability.”¹⁶⁷

The sustainable capital stock and flows approach has been refined and adapted for a variety of uses, since the model's beginning. In the Treasury's Living Standards Framework, it was decided to focus on four forms of capital. The Framework did acknowledge that other forms of capital have been identified, like cultural capital, but chose to omit them. It seems that, with New Zealand's inclusion of culture in their sustainability model, it would make sense to also include it in the Living Standards Framework.

Treasury also recognised that “Infrastructure and housing are central building blocks of living standards.”¹⁶⁸ Although the Framework does not address social housing specifically, the acknowledgement of housing has strategic policy implications. The Framework also defines housing as physical capital. “The stock of physical assets such as **infrastructure and housing** is also an important component of an individual, household, or country's wealth.”¹⁶⁹ At the same time, Treasury recognises housing's contribution to other forms of capital. “Adequate housing in particular is recognised as being an important contributor to other factors that underpin living standards, such as health.”¹⁷⁰ Despite the acknowledgement of the importance of housing on all forms of capital, the Framework does not include any housing indicators.

“The importance of housing is reflected in the fact that it is included as a key indicator in a forthcoming OECD Compendium of Key Well-being Indicators.”¹⁷¹ The Organisation for Economic Co-operation and Development (OECD) report, *How's life? Measuring well-being*,¹⁷² does include some basic indicators on housing. However, the report acknowledges that there is no international standard. “No core set of housing indicators currently exists, which underscores the need for more comparable data in this field.”¹⁷³ The report does offer some ideas on what should be included in housing indicators. “An ideal set of indicators to measure housing conditions would inform about both the physical characteristics of the dwelling and the broader environmental characteristics of the areas where the dwellings are located.”¹⁷⁴ This underscores the complexity of housing, and social housing in particular. Housing has implications for economic, social, environmental, and cultural well-being; similarly, it cuts across all forms of capital. Therefore, the importance of housing and social housing on living standards should not be ignored in New Zealand's strategic policy measurements. With the current attention on housing in New Zealand, it seems like an opportune time to develop an appropriate set of housing indicators.

The Living Standards Framework provides a good strategic-level approach to

¹⁶⁷ Gilman (1992), p. 10

¹⁶⁸ New Zealand Treasury (2011), p. 19

¹⁶⁹ Ibid, p. 19

¹⁷⁰ Ibid, p. 19

¹⁷¹ Ibid, p. 19

¹⁷² OECD (2011)

¹⁷³ Ibid, p. 81

¹⁷⁴ Ibid, p. 82

becoming more outcomes-focused and a guide to measurement that can inform policy. Although the Framework has more of an individualistic economics approach, Treasury emphasises the consideration of the levels, distribution and interactions between the measures. I would argue that ‘equity’ is the ultimate measure of government action. “Decisions about acceptable levels of factors within the Framework, distributional outcomes, and trade-offs are ultimately political in nature and thus beyond the realm of policy advice. However, highlighting them will ensure Treasury’s advice is robust and theoretically grounded and that governments’ decisions are well-informed.”¹⁷⁵ Housing, especially social housing, strategy and measures should incorporate equity. Social housing should contribute to overall economic, social, environmental, and cultural justice. “The Framework is intended to be used as an input to the policy process, rather than an analytical, prioritisation or decision-making tool in itself.”¹⁷⁶ Treasury acknowledges the need for more refined measurements to assist in developing policy.

Integrated Spatial Decision Support Systems – ISDSS

Measuring outcomes at the planning level has received a great deal of attention in New Zealand. The *Sustainable Development for New Zealand Programme of Action* (SDPA) focused on ‘Sustainable Cities’ as a priority issue and invested in discovering “better arrangements for integrated decision-making.”¹⁷⁷ Several academic and research centres developed Integrated Decision Support Systems (IDSS) in response. Landcare Research was one of these. In 2010, Landcare Research hosted an event – the *Integrated Decision Support Systems Workshop*¹⁷⁸ at which twenty-two various IDSSs were identified and compared. “Only two integrated qualitative systems addressed all four well-beings (cultural, economic, environmental, and social).”¹⁷⁹ Despite the differences in the systems, they all shared common themes. “Many (integrated) decision support systems are in development and, in some cases, in use throughout New Zealand. These systems could provide substantial benefits to end-users in achieving desired outcomes by helping to:

1. Characterise and explore the consequences of different actions on future long-term well-being, e.g., desired cultural, economic, environmental, and social outcomes
2. Identify and understand trade-offs among the four outcomes
3. Outline potential policies, strategies, plans and actions and explore how they would help contribute to desired outcomes
4. Discuss and deliberate the range of possible outcomes resulting from different policies, strategies, and plans, including how they relate to the values and needs of different stakeholders and interest groups

¹⁷⁵ New Zealand Treasury (2011), p. 31

¹⁷⁶ Ibid, p. 30

¹⁷⁷ SDPA (2003), p. 20

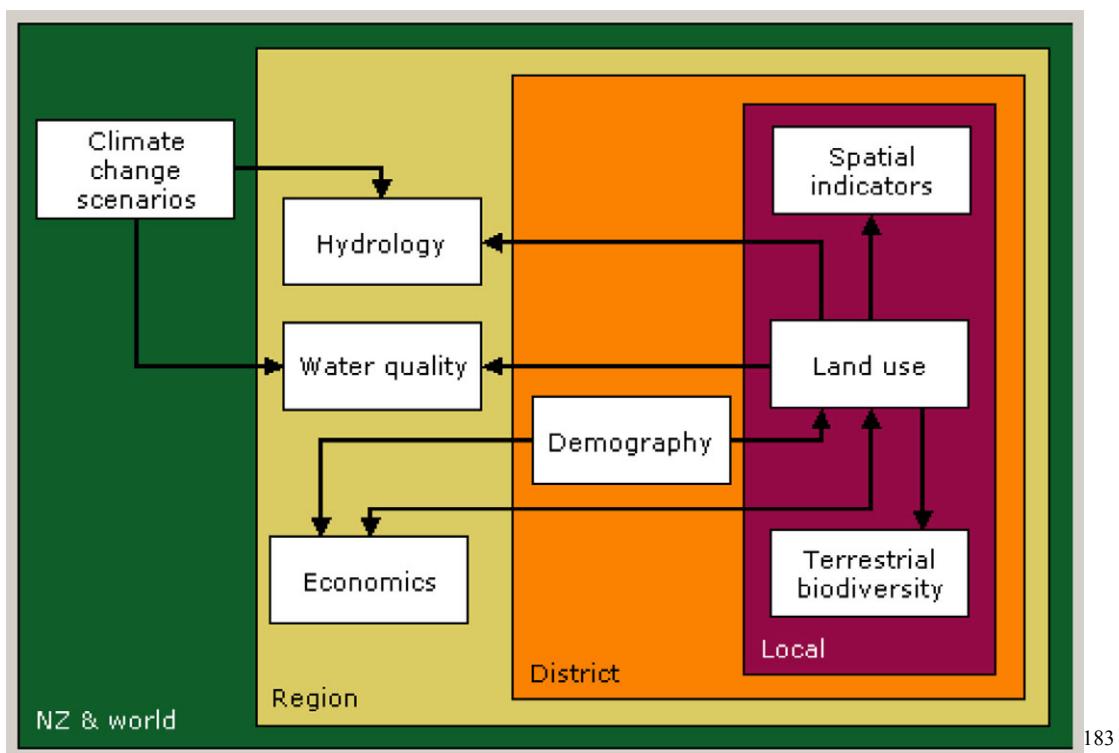
¹⁷⁸ Landcare Research (2010)

¹⁷⁹ Ibid, p. v

5. Prioritise policies, strategies, plans and actions to be undertaken by different parties to help achieve desired outcomes.”¹⁸⁰

One example of these IDSS projects included all four well-beings and also incorporated a spatial element. “The Creating Futures (CF) project is centred on the Waikato Region of the North Island, New Zealand.”¹⁸¹ This project developed an Integrated Spatial Decision Support System (ISDSS) and model to “help deal with weakly structured and unstructured problems by helping users explore alternative scenarios by combining knowledge, data, and models in a flexible and easy-to-use manner.”¹⁸²

Waikato Integrated Scenario Explorer (WISE) model



ISDSS models could be used to analyse social housing policies and plans, highlighting the outcomes and trade-offs each community desires. It also points to relevant measurements. “Combining a qualitative participatory approach using scenario planning and deliberative processes with quantitative modelling in interactive stakeholder sessions facilitates awareness building, enables active learning, and provides a common understanding resulting in better informed planning and decision-making.”¹⁸⁴ This approach would go a long way in helping to build sustainable social housing and communities.

In 2009, Landcare created an e-book that captured the research – *Hatched: The*

¹⁸⁰ Landcare Research (2010), p. vi

¹⁸¹ Landcare Research (2009), p. 35

¹⁸² Ibid, p. 35

¹⁸³ *Creating Futures* (2012)

¹⁸⁴ Landcare Research (2009), p. 41

*Capacity for Sustainable Development.*¹⁸⁵ The book contained chapters on ‘Creating futures: integrated spatial decision support systems for local government’ and ‘Sustainability appraisal techniques.’¹⁸⁶ “A Sustainability Appraisal Framework approach has been developed for generic application and adaptation to different policy regimes and contexts. It is relevant to New Zealand and enables different entry points and implementation paths for sustainability appraisal. The approach recognises that sustainability appraisal must be adapted to purpose, reflecting the prevailing realities of decision-making including available time. The New Zealand adaptation is the introduction of the cultural pillar recognising the Treaty of Waitangi as a fourth pillar of sustainability (in addition to social, environmental, economic), which corresponds to the four well-beings of the Local Government Act. It has two characteristics that distinguish it from other forms of impact assessment such as social impact assessment and environmental impact assessment that are commonly restricted to a single pillar and involve a baseline test relating to the current situation. The first is integrated decision-making in which, social, economic, environmental, and cultural factors are addressed simultaneously, and the second is evaluation against a sustainability framework derived from international or national policy or strategies.”¹⁸⁷ The ISDSS has the capability to integrate the social, economic, environmental and cultural factors into social housing policy and planning. The Treasury’s Living Standards Framework, in part derived from the OECD well-being measures, could provide broader housing indicators. Building on these, there is still a missing level of measurement. This is at the action or project level.

Sustainable Return on Investment – SROI

The importance of integrating sustainable outcomes (social, economic, environmental, and cultural) into measurements at the strategic and planning level has been recognised and adopted to varying degrees into New Zealand policy. However, when it comes to project-level social infrastructure measurement a strict economic approach is still prevalent. When the Treasury’s National Infrastructure Unit was interviewed about how they would evaluate a social housing Public Private Partnership, they outlined a conventional Cost Benefit Analysis approach. Internationally, there is a movement to incorporate full cost accounting measures into infrastructure development. The ‘green’ infrastructure movement has seen further progression beyond pure economic measurement to the incorporation of environmental and social factors. *A Guide to Green Infrastructure for Canadian Municipalities*¹⁸⁸ is one example of this approach. The model below shows this progression and its relationship to well-being outcomes and sustainability.

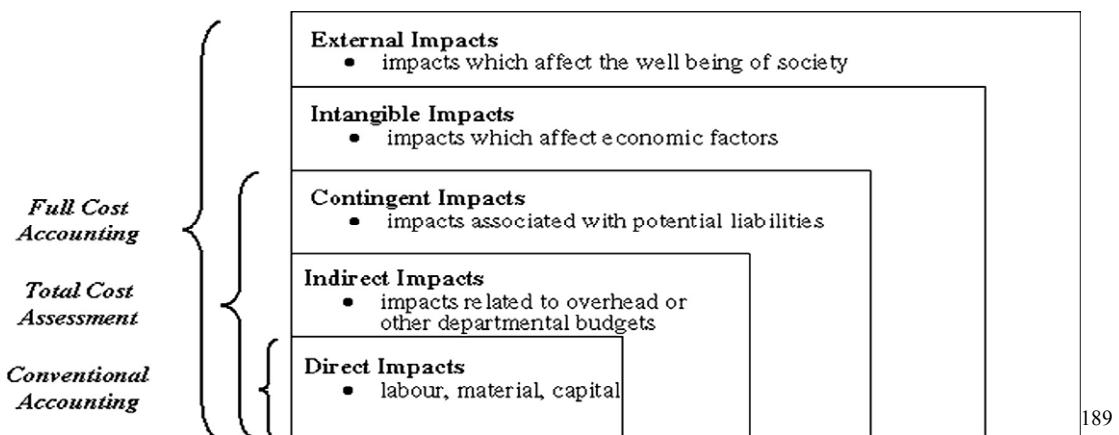
¹⁸⁵ Ibid

¹⁸⁶ Landcare Research (2009)

¹⁸⁷ Ibid, pp. 229-230

¹⁸⁸ Sheltair Group (2001)

Full Cost Accounting



In New Zealand, well known economist, Arthur Grimes, has also explored these changes in his research – *The Economics of Infrastructure Investment: Beyond Simple Cost Benefit Analysis*.¹⁹⁰ “It is designed to make infrastructure investors and planners think deeply about their assumptions and to broaden the range of issues that are taken into account. Issues considered include: the role of Cost Benefit Analysis (CBA); network effects (increasing returns to scale) and the endogeneity of resources within an economy; the valuation of productive versus consumptive benefits; the value of traded versus non-traded sector production; the role and choice of the discount rate; and the importance of considering option values when making infrastructure investment and disinvestment decisions.”¹⁹¹

Another value approach that began with a focus on social outcomes and measuring social value in projects is starting to gain international acceptance – Social Return on Investment (SROI). This model could be especially helpful in assisting New Zealand to develop project-level outcome measurements for social housing. *A Guide to Social Return on Investment*¹⁹² from the United Kingdom is now recognised internationally as the benchmark for best practice. The guide drew heavily on previous iterations of approaches to SROI analysis. SROI is ‘open source’ and managed by the SROI Network.¹⁹³ “Social Return on Investment (SROI) is a framework for measuring and accounting for this much broader concept of value; it seeks to reduce inequality and environmental degradation and improve well-being by incorporating social, environmental, and economic costs and benefits.”¹⁹⁴ SROI measures social, environmental, and economic outcomes and uses monetary values to represent them. There have been some objections to placing monetary values on social and environmental outcomes, but “SROI is about value, rather than money. Money is simply a common unit and as such is a useful and widely accepted way of conveying value.”¹⁹⁵ SROI provides a common language for those who approach policy using different value lenses. “SROI was developed from social accounting and cost-benefit

¹⁸⁹ Sheltair Group (2001), p. 38

¹⁹⁰ Grimes (2010)

¹⁹¹ Ibid, p. ii

¹⁹² *A Guide to Social Return on Investment* (2009)

¹⁹³ *SROI Network*

¹⁹⁴ *A Guide to Social Return on Investment* (2009), p. 8

¹⁹⁵ Ibid, p. 8

analysis and is based on seven principles.

- Involve stakeholders
- Understand what changes
- Value the things that matter
- Only include what is material
- Do not over-claim
- Be transparent
- Verify the result”¹⁹⁶

Based on these principles, SROI employs a six-stage process for measuring outcomes.

1. “Establishing scope and identifying key stakeholders
2. Mapping outcomes
3. Evidence outcomes and giving them value
4. Establishing impact
5. Calculating the SROI
6. Reporting, using and embedding”¹⁹⁷

The SROI model is receiving global recognition for its ability to identify appropriate social, economic and environmental outcomes and integrate them on a project level basis. *Social Return on Investment: Lessons learned in Australia* extols these virtues: “The past decade has seen increasing interest in measuring the social impact of projects, programs, organisations, businesses and policies. Managers want to know what results have been achieved, with a view to improving future performance. Investors want to know the social value their money is creating. Corporations are increasingly interested in social investment. Governments have a strong imperative to measure the social impact of policies, programs and funded activities. Over the last decade, Social Return on Investment (SROI) has emerged as an approach to meet these demands. SROI quantifies and monetizes social impact in a clear and consistent way, enabling stakeholders to measure the achievement of social impact against three primary performance indicators, being appropriateness, effectiveness and efficiency.”¹⁹⁸

The United Kingdom, through a partnership between the Local Government Association and the SROI Network, recently developed a *Guide to commissioning for maximum value*.¹⁹⁹ The Guide provides step-by-step instructions on how to use the SROI model to commission projects. “The result of applying SROI principles and practices to the commissioning cycle is a process that recognises the following:

¹⁹⁶ A *Guide to Social Return on Investment* (2009), p. 9

¹⁹⁷ Ibid, pp. 9-10

¹⁹⁸ Social Ventures Australia Consulting (2012), p. 6

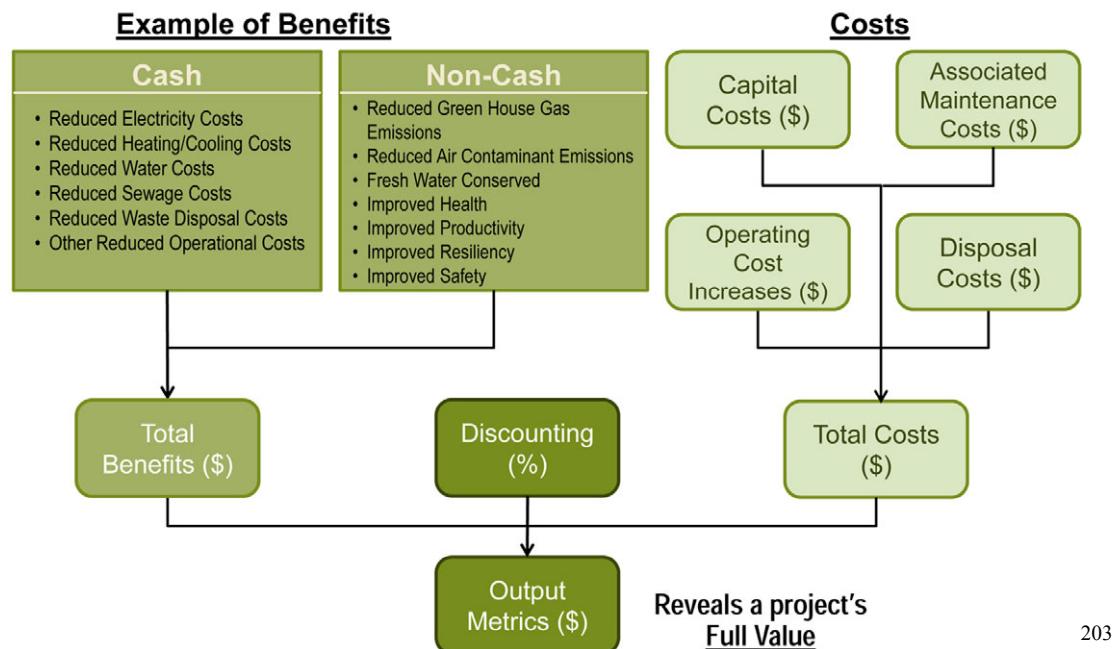
¹⁹⁹ Local Government Association (2012)

- Public sector spending is usually only part of a system that can be directed to support change for individuals
- Not all change is equally valuable
- There are opportunities to influence the eventual value delivered by a service through decisions made at all stages of the commissioning cycle.²⁰⁰

This Guide could assist in developing a business case for social housing projects in New Zealand. “By applying the whole framework and principles, you can make a big difference to your understanding of how value is created and also of how much value is created – that is, you will be commissioning for maximum value.”²⁰¹ This is a similar goal of the New Zealand Treasury’s ‘Better Business Cases’ framework.²⁰²

The Social Return on Investment model has been further refined in the United States and renamed the **Sustainable** Return on Investment model.

SROI Flow Diagram



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The Sustainable Return on Investment (SROI) model emphasises the importance of social, economic and environmental outcomes. This SROI model adds a unique participatory process to identify relevant outcomes. It also adds a probability factor to achieving these outcomes, which further refines the model. This model could easily be adapted for use in New Zealand by incorporating the fourth sustainability outcome – culture.

²⁰⁰ Local Government Association (2012), p. 41

²⁰¹ Ibid, p. 41

²⁰² *Better Business Cases* (2012)

²⁰³ *Sustainable Return on Investment* (2011)

Conclusion

New Zealand has a history of measuring policy at a strategic level using a sustainable development approach.²⁰⁴ The Treasury's Living Standards Framework builds on this tradition and uses a sustainable economics approach. Although Treasury recognises the importance of cultural capital, it omits this unique New Zealand element in its capital stocks and flows approach. Treasury also acknowledges the importance of housing on living standards, but omits any housing-related indicators in its Framework report. These omissions affect housing and social housing policy at a strategic level. 'If what gets measured gets done' is true, typically, the opposite is also true – what doesn't get measured doesn't get done. "Key to implementing a sustainable development approach is the ability to build and act on knowledge integrated across social, cultural, economic and environmental domains."²⁰⁵

At the planning level, New Zealand has developed and is using several Integrated Spatial Decision Support Systems (ISDSSs). These systems can and should be used to evaluate social housing planning policies. At the project level, the Government, currently, uses a more conventional economics-focused Cost Benefit Analysis in its policies. New Zealand government should consider extending its sustainable policy approach to this level. If this were done, social housing policy could be informed by the full costs and benefits of housing projects.

International best practice points to the Sustainable Return on Investment (SROI) model as a possible solution. Researchers at Columbia University analysed the SROI model with the needs of public policy makers in mind: "The time is now to transform individualized efforts at measuring sustainable projects into a beneficial standardized practice of sustainability accounting. Balanced on a transparent process of measuring and effectively communicating the triple bottom line, SROI is poised to fill this need by enhancing the success of individual sustainability projects and encouraging widespread comparability. Supported through a triad of education, network, and guideline initiatives, SROI can become the tool that enables the environmentally, socially, and financially sustainable world of the future."²⁰⁶ Practically, Treasury could use the SROI model to inform its Better Business Cases and incorporate it into the Public Private Partnership (PPP) toolkit. The Social Housing Unit could use the SROI model to assist in developing appropriate project level outcomes and incorporate it into their partnership agreements (i.e., the Relationship and Grant Agreement).²⁰⁷

Overall, the Social Housing Reform Programme could use strategic housing indicators, Integrated Spatial Decision Support Systems (ISDSS) and Sustainable Return on Investment (SROI) modelling to better measure and inform their policy. An example of putting these concepts together in an effective business case is presented by Sacha McMeeking in *Kaupapa.org – Practical tools for Iwi and Maori organisations*.²⁰⁸

²⁰⁴ Statistics New Zealand (2008)

²⁰⁵ Landcare Research (2009), p. 41

²⁰⁶ Columbia University (2010), p. 24

²⁰⁷ SHU (2012c)

²⁰⁸ Kaupapa.org (2010)

CONCLUSION

The conclusions drawn from this research are admittedly broad. However, without first addressing the broader issues, it is difficult to get to the details of social housing reform. Although it may not seem like it, each part of this policy paper is intentionally designed to offer alternative approaches to social housing policy from the methods (Appreciative Inquiry) to the models (Action Research) and the action steps that form the core of this paper. The purpose of public policy is to guide **action** that contributes to the sustainability of the nation and, ultimately, the world. While we are sorting out the details, it is important to reflect on the broader issues and purposes of the public policy we are attempting to create.

The current global economic crisis was in some part related to housing issues. The crisis has countries across the planet re-examining their housing markets. If nothing else, this is a reminder of the importance of housing to the global well-being of individuals and society. Social housing is, simply, a part of that broader housing sector. Since the beginning of private property rights and market economies, some form of housing intervention has been required. The market, alone, has not resolved issues surrounding the allocation of housing resources. “Recognising that there will always be some segment of society in need of housing support, the discourse could then move beyond defending the need for social housing programs to matters of improving provision for households, local communities and the wider economy.”²⁰⁹ In New Zealand, according to the Housing Shareholders Advisory (HSA) Group, “social housing accounts for 1 in 5 dwellings.”²¹⁰ The HSA Group and the Better Public Services Advisory Group recognised state housing as the Crown’s second largest social asset at \$15.1 billion.²¹¹ With this knowledge, it seems logical that social housing policy should be a governmental priority and institutional norm. However, even with the recommendations of the HSA Group and the transfer of all housing policy responsibilities to the Department of Building and Housing (now part of the Ministry of Business, Innovation and Employment), social housing is not a governmental priority. There are no plans to create a government-wide social housing strategy and social housing policy remains fragmented. Operationally, policy and plans are currently under development. However, they, too, are not designed to comprehensively address social housing. This paper suggests a simple Action Model to help guide social housing reform. The Think, Plan, Act, and Measure model and the accompanying research do not attempt to provide a comprehensive solution, but, merely, highlight some areas of interest to build on. The model’s strength is in its implementation and the resulting insights to those crafting and implementing social housing policy.

Think

The New Zealand Productivity Commission recently completed a *Housing Affordability Inquiry*.²¹² The main thrust of the report was making recommendations

²⁰⁹ Buzzelli (2009), p. 2

²¹⁰ HSA Group (2010), p. 16

²¹¹ Better Public Services Advisory Group Report (2011), p. 57

²¹² New Zealand Productivity Commission (2012)

on how to improve the productivity of the housing sector. The report recognised housing as fundamental to not only economic well-being, but also to social well-being. An entire section of the report was devoted to social housing issues. However, social housing was viewed as a separate issue and not part of the possible solution. Social Housing – the segment of the housing sector that the Government exerts the most control – could be used to help guide the direction of the entire sector. Social housing policy could be designed and contribute to the uplift of the whole housing sector. This requires a different way of thinking about social housing – thinking that would be aided by a more comprehensive policy framework.

In the recent past, New Zealand used a clear sustainability policy framework. The current *Living Standards Framework*²¹³ is based on past and current sustainability thought, but is less explicit and focuses heavily on economic well-being to the exclusion of social, environmental, and cultural well-being. Building on the past, the policy framework should provide a more balanced approach between the “four well-beings of community sustainability.”²¹⁴ New Zealand could, particularly, benefit by emphasising the unique cultural well-being element.

If this policy framework incorporated concepts from New Zealand’s “strong sustainability”²¹⁵ model, policies could be designed to not just maintain the status quo, but they would be restorative and regenerative. This would assist the Government achieve its ‘Green Growth’ objectives. During the twentieth anniversary of the United Nations World Summit on Sustainable Development, it is time to bring the word ‘sustainability’ back into the policy lexicon and discussions. A policy framework that capitalises on New Zealand’s unique approach to sustainability could serve as a model for the world.

Plan

Once a clear policy framework is in place, the next step in effective social housing reform is developing a plan. Social housing is recognised in a variety of reports as the Crown’s second largest asset. Despite this widespread recognition, there is no overarching strategic plan guiding this asset. Social housing involves the efforts of several central government departments with no clear policy leader. The HSA Group recognised this fragmented approach and, as a result, the Department of Building and Housing (DBH) was appointed to lead the Social Housing Reform Programme and develop social housing policy. However, with the recent consolidation of DBH into the new Ministry of Business, Innovation, and Employment, the question of who is responsible for leading social housing planning is once again unclear. During this leadership void, Treasury included social housing in its strategic *National Infrastructure Plan*.²¹⁶ This unique approach of identifying social housing as a part of the nation’s social infrastructure harks back to a time when social housing was viewed as a natural part of the community’s infrastructure. This was during the ‘Golden Age’²¹⁷ of social housing, when New Zealand was looked upon as a global leader in

²¹³ New Zealand Treasury (2011)

²¹⁴ New Zealand Ministry for Culture and Heritage (2006), p. 5

²¹⁵ *Strong sustainability* (2012)

²¹⁶ NIU (2011)

²¹⁷ HSA Group (2010), p. 20

social housing. In today's context, this view has some interesting planning and policy implications.

Examining the planning processes for the Crown's largest infrastructure asset – transportation, we find some concepts and models that are directly applicable to social housing. The variety of government agencies involved in social housing requires a whole-of-government planning approach. This approach not only ensures that the disparate interests of the Government are addressed, but that shared outcomes are integrated. This approach recognises and maximises the co-benefits of social housing policy. Viewing social housing as part of the sustainable community infrastructure also recognises the place-based planning requirement. Social housing planning must not only be integrated horizontally across the central government, but also vertically down to the local level. Finally, viewing social housing as infrastructure moves the policy discussion beyond the question of 'why' and onto the more important question of 'how'. This has the potential to move New Zealand's currently stagnant social housing policy into action.

Act

Increasingly, governments across the globe are realising that unilateral actions, especially in capital-intensive projects such as infrastructure, are not economically sustainable. Internationally, the answer to this dilemma in infrastructure and social housing development has been the use of partnerships. However, the use of partnerships requires some fundamental changes to the roles of government and public policy. Government must move from being a regulator and provider of public services to being more of a facilitator, collaborator and relationship manager. Policy must also shift to recognise the need to achieve shared outcomes. This means sharing in both the risks and rewards of the partnership.

The traditional Public Private Partnership (PPP) model used in economic infrastructure development serves as a starting point to help develop a social infrastructure partnership model. However, successful social housing partnerships require more than just public and private sector involvement. They must also include the third sector and community. In New Zealand, Māori interests must also be incorporated. Building trust and managing the diverse interests of this expanded partnership model requires policy with a strong unifying element. Again, a sustainability framework can aid in providing structure to develop shared economic, social, environmental, and cultural outcomes. A focus on outcomes is crucial to building an effective partnership model. The partnership must look beyond just creating social housing to restoring and regenerating communities. These Sustainable Community Partnerships can serve as the catalysts for change and innovators envisioned by the Government in its social housing reform efforts. Sustainable Community Partnerships can benefit all of the partners, while achieving outcomes that no individual sector could on its own. Effective partnerships and policy depend on being outcomes-focused and results-oriented.

Measure

Performance measurement is crucial to designing, implementing and maintaining effective social housing policy and achieving results. The chosen outcome measures

help to set policy direction. Measurements guide the way we implement policy. In the end, outcome measures determine whether a policy has been effective or needs reform.

Internationally, the OECD recognised housing as a key indicator of well-being.²¹⁸ New Zealand's *Living Standards Framework* listed infrastructure and housing as "central building blocks."²¹⁹ Despite this recognition, both in New Zealand and internationally, there is no agreed set of strategic housing indicators. With a history of developing sustainable strategic indicators and a current interest in the housing sector, it seems the New Zealand Government is well positioned to be a global leader in this area. Most of the data are already being collected²²⁰ and the already-developed Living Standards Framework provides a strategic foundation for measurement. Effective social housing reform requires being able to measure performance at both a strategic and operational level.

At the project level, the New Zealand Treasury currently promotes a conventional Cost Benefit Analysis as its measurement model.²²¹ The Government should consider extending its sustainability approach to this level. The Sustainable Economics model used in the Living Standards Framework calls for the use of full cost accounting. This approach would result in commissioning for maximum value and a better business case. Not only are the costs of a project accounted for, but the direct and indirect benefits can more fully be realised. The Social Return on Investment model developed in the United Kingdom and refined in the United States as the Sustainable Return on Investment model (SROI) is recognised internationally as the benchmark for best practice.

"Developing better measures is not an end in itself, but a means to enhance policies that improve people's lives."²²²

Recommendation

My principal recommendation is to take action! Based on research and interviews and confirmed by a workshop held on Partnerships for Social and Affordable Housing,²²³ the need for action is urgent and widely supported. Now is the time for New Zealand to begin creating world-class sustainable social housing redevelopments. These projects would help restore and regenerate important pieces of New Zealand's national identity, their status as 'world leaders' in sustainability and social housing, and their communities.

To start off, the Urban Task Force report recommends undertaking "two or three 'ready-to-go' urban developments using a partnering model."²²⁴ There are a variety of reports that suggest Auckland and Christchurch should be the place-based focus. The Social Housing Unit (SHU) states in their Business Plan investment section, "at least

²¹⁸ OECD (2011)

²¹⁹ New Zealand Treasury (2011)

²²⁰ *Healthy Housing* (2012)

²²¹ *Better Business Cases* (2012)

²²² OECD (2011), p. 4

²²³ *Healthy Housing* (2012)

²²⁴ Building and Construction Sector (2009), p.20

60% of all new social/affordable housing is in areas of highest need, notably Auckland and Christchurch.²²⁵ The implementation section of the National Infrastructure Plan focuses on Auckland and Christchurch.²²⁶ Using the view that social housing is a critical part of the nation’s infrastructure, the Government could classify these as “Projects of National Significance” with all the attention and flexibility that this title provides.²²⁷ The projects might also benefit from using an Action Model approach.

First, these projects would be built to the highest sustainability standards. Concepts and products could be used that contribute not only to the sustainability of the social housing developments, but to the entire housing sector. This requires a different way of thinking about development and commitment from the Government and like-minded partners. Using New Zealand’s definition of sustainability, the developments should contribute to the restoration and regeneration of the entire community and address all four areas of well-being: economic, social, environmental, and cultural.

Following the National Infrastructure Plan, social housing is a part of the sustainable community infrastructure. Current infrastructure planning uses a whole-of-government approach. This involves participation and investment from all government departments involved in the well-being of the community. Similarly, social housing planning should be integrated horizontally and incorporated into central government’s work plans. It should also be integrated vertically to fit into regional and local plans. The plan would not just focus on the social housing development, but also on the surrounding community. This entails participation from the entire community, including social housing residents, in the planning process. This plan would contribute to the uplift of the entire community. Overall, the planning process should be developed to inform social housing planning policy and used as a model for future social housing developments – recognising that each ‘place-based’ solution is unique.

The partnership model used should be purposely built to fit the needs of the project and the partners. This might mean using non-competitive models that allow partners to ‘opt-in’ based on their commitment level. Alternatively, other models could be used that allow the partnership to build high levels of collaboration and trust. It also means that the Government might have to take on a different role and level of commitment. This might entail assigning advisors from across the departments and someone, overall, to serve as a facilitator and relationship manager for the partnership. The partnership would contain representatives from all sectors (public, private, and third sector) that have a commitment to the development. The partnership would be ‘outcomes-focused’. It would go beyond output measures (such as number of units produced) and include outcomes that show the affect on the well-being of the social housing residents and the entire community.

These projects could be used as pilots and experiments. This concept points to another important set of partners – academic and research institutions. Closely monitoring these projects would help in the development of appropriate measures for social

²²⁵ SHU (2012a), p. 7

²²⁶ NIU (2011), pp. 51-57

²²⁷ *Roads of National Significance* (2010)

housing at strategic and operational levels. Using Appreciative Inquiry, New Zealand could build upon the projects' successes and the world could use them as examples of international best practice.

New Zealand was once a leader on social housing and sustainability thought. With existing knowledge and resources, New Zealand could easily become a world leader in sustainable social housing. The only requirement is to embrace the knowledge, create a plan, and take some action. The historical benefits of an effective social housing programme should be remembered and appreciated. The positive outcomes from rebuilding sustainable social housing and the housing sector might be just what New Zealand's sustainable community partners and the economy need.

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