

Helping New Zealanders in their time of housing need

Housing New Zealand Corporation Strategic Plan



Welcome to Housing New Zealand's Strategic Plan to 2015

*We are sharpening our focus on our core business
– putting our customers at the heart of what we do.*

Over the next 10 years, social housing in New Zealand faces real challenges. Some of these challenges are a legacy of past decisions and societal changes and some will result from future population trends. One thing is clear – we need to start making changes to address them, and we need to start now.

The plan identifies the challenges faced by the Corporation and establishes a direction and framework for what Housing New Zealand will do within its business to address those challenges, as we have defined them. As with any long-term plan, it is a living document reflecting the current state and will adapt to reflect Government decisions and environmental changes.

Working with our stakeholders is critical to the success of the Strategic Plan. It is therefore important that we share our plan with you as a basis for a conversation about how we can work together to help shape our future.

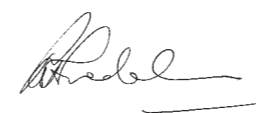
The plan sees us sharpening our focus on our core business with our customers at the heart of what we do. Housing New Zealand's purpose is to help house those who need it most. But we recognise that to continue to do this we must make better decisions to make the most of our resources, help more people, and meet demand for our services.

Demand for our services currently is greater than our ability to supply. The scale of change signalled by our Strategic Plan is significant. The way Housing New Zealand operates must change and there will need to be a shift in traditional attitudes towards state housing. Some state housing tenants, applicants, and parts of the wider community may raise concerns. Making sure we are treating people fairly will be critical to the success of the changes we are making to the way we operate.

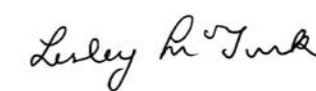
To implement our plan, we will need focus, capable leadership, adaptable and skilled people, a commitment to delivery, and systems and processes that enable success. We will need time to introduce the scale of change required, but most importantly, we will need to work with our stakeholders.

This document is designed to give all our stakeholders a clear sense of where Housing New Zealand is coming from and why. We want to discuss our plan with you. We want your help to improve and refine the implementation of it so that together we can shape a different future and house more people with high and complex needs.

The Minister of Housing has recognised the challenges that the Corporation faces and established the Housing Shareholders' Advisory Group (HSAG) to undertake a sector-wide review of the provision of social housing in New Zealand, and make recommendations for change. HSAG has produced a report with recommendations on which it is now engaging with stakeholders. Any decisions by Government on the recommendations are yet to be made. Until there are decisions by Government that change the policy settings that Housing New Zealand operates within, we will continue with our five year Strategic Plan.

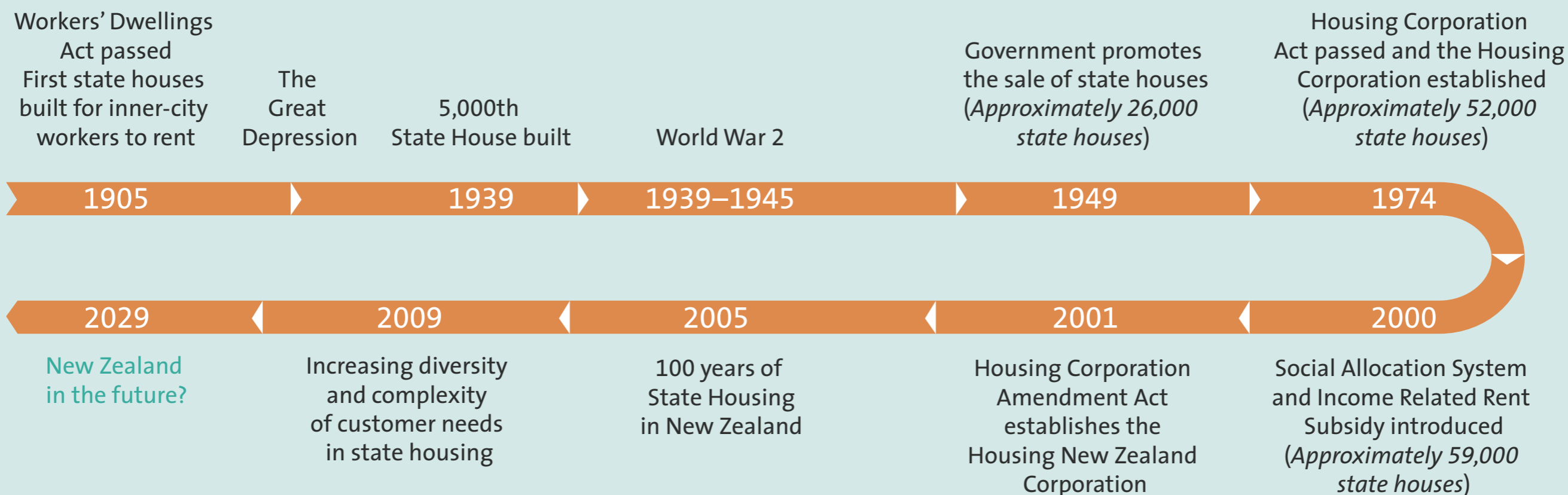


Pat Snedden
Board Chair



Dr Lesley McTurk
Chief Executive

OUR JOURNEY – OVER 100 YEARS OF STATE HOUSING



WHERE WE ARE TODAY

We are here to help those most in need. But we recognise that to help more people than we can now, there needs to be decisions about who we help, how we help, and for how long we help.

SOME FACTS ABOUT OUR CUSTOMERS¹

- We provide housing for over 200,000 people.
- Half of the occupants of state houses are under the age of 20.
- Māori represent our largest occupant group at 37 percent, with Pacific peoples second at 36.6 percent.
- Common household types include smaller households such as single people, single parent families, and larger families.
- Approximately 5,000 tenants pay a market rent and may be able to rent in the private market.
- There are 3,500 high need applicants (and their families) on the waiting list for a state house. This represents approximately 10,000 people.

Historically, state housing was provided for low-income workers and families. Today, our customers are not only more diverse, they also have complex needs beyond their income and therefore require support.

This is a trend likely to continue as the New Zealand population faces permanent changes as people live longer, have smaller families, and more diverse family types.

SOME FACTS ABOUT US

- We look after 69,000 state houses throughout New Zealand.
- Auckland is a significant part of our business with 45 percent of total state housing in the region.
- We administer over \$500 million a year in Income-Related Rent Subsidy for people in high housing need.
- The state housing portfolio has a current value of \$14.1 billion, representing the Crown's second largest asset.
- The state housing portfolio represents 5 percent of New Zealand's total housing stock.
- We have over 1,000 staff across the country with 75 percent delivering frontline services to our customers.

¹ Sourced from Housing New Zealand internal documents.

OUR PURPOSE

Most people in New Zealand today are well housed and are able to satisfy their own housing needs within the private housing market. However, there are many New Zealanders who require assistance to obtain affordable, secure, and appropriate housing.

State housing forms part of the provision of social services for New Zealanders in need, particularly for those vulnerable people and families with high and complex needs. Families with low incomes who do not have other needs are targeted for assistance through welfare benefits, tax support such as Working for Families, and the Accommodation Supplement.

Once in state housing, our customers are able to stabilise their circumstances and see improvements in outcomes such as health and education, enabling them to achieve housing independence when they are ready. For some, a state house may be needed for a long time (for example, a severely disabled person) but this, in itself, helps them achieve some level of independence so that they can live their lives as fully as possible.

Our role

We are the Crown entity responsible for giving effect to the Crown's social objectives by providing housing and housing-related services in a businesslike manner to those most in need. Providing state housing and tenancy services for our tenants is our core business, with most of our staff involved in the core tenancy role.

Our core functions include:

- **tenancy allocation and tenancy management including matching applicants with available houses, administering the Income-Related Rent Subsidy, and specialised case management support for tenants with multiple or complex needs**
- **asset management to provide an appropriate and affordable house to those with the greatest housing needs including acquiring, maintaining, upgrading, and divesting state houses**
- **advisory services for our customers and community groups to help them access housing solutions available through the Corporation, local authorities, the private rental market, and community housing providers.**

We also deliver other housing initiatives and services on behalf of the government such as:

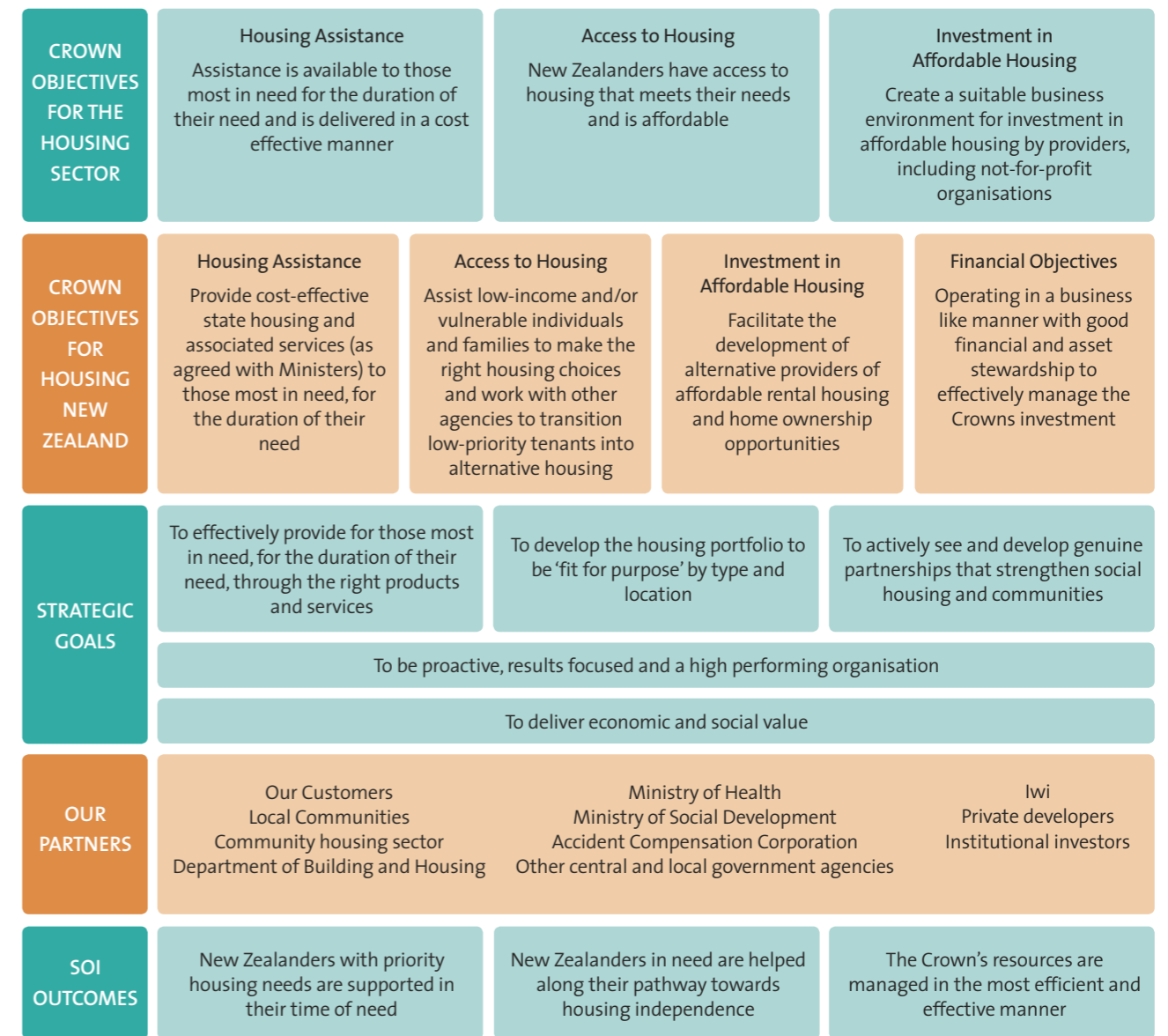
- *providing housing for community-based organisations, offering housing and support services, and working with community social housing providers, Māori housing providers, and iwi to address local housing problems*
- *assisting people who are buying their first homes by developing and providing home ownership products and services*
- *undertaking developments and managing property on behalf of the Crown*
- *advising the Minister of Housing on housing policy and housing-related services, and conducting research and monitoring trends in housing.*

The primary relationship between ourselves and the Government is between our Board and our responsible Ministers of Finance and Housing. The Board is responsible for the overall governance of the Corporation and for managing it according to its legal mandate. We also work closely with the Department of Building and Housing and the Treasury who monitor our performance on behalf of the Government.

The Government’s vision for the social housing sector is one that provides the right housing in the right place and at the right time to those most in need, for as long as the need exists, and to achieve these outcomes in the most cost-effective manner. The Ministers of Housing and Finance have developed a set of social objectives, both at a social housing sector level (which we contribute towards as one of many partners), and as social objectives specifically for the Corporation.

Our Strategic Plan provides us with our overall direction and sets the context for our annual planning to achieve our vision and strategic goals. The diagram on the next page illustrates the line of sight between the Crown’s social objectives for housing and our future direction and priorities.

LINE OF SIGHT



WHY WE NEED TO CHANGE

Our core role is to house people with the greatest and most urgent need. We currently provide housing for 200,000 people, but at any time there are around another 10,000 people waiting who desperately need our help. While some need a state house for life, others no longer genuinely need one. The reality is that a large group of people outside state housing need a state house but are not getting one, while some in state houses no longer need them. So it is an issue of fairness.*

Like many other government agencies, we must find new ways to provide what New Zealanders rightly expect from their tax dollars. We must help those in need within economic constraints and change the way we operate. Our housing portfolio is the Government's second largest asset, so we must manage it effectively and efficiently.

Changing society

The current situation is largely driven by circumstances from the past. We have been required to maintain a portfolio of 69,000 houses – mostly three bedroom houses built for the nuclear families of previous generations. But it is no longer mum, dad and two kids who need a state house. Our customers now include single people, single parents, people with high social needs, complex health and other problems, and larger families of five, six, or more.

The majority of those who need our help today are in Auckland, Wellington and Christchurch. Auckland is a key area of focus as it represents the largest population of customers and needs in New Zealand, and is projected to be the biggest area of population growth in the future.

However, not all our houses meet today's needs. We find ourselves with too many houses in areas where there is not high demand, and not enough in bigger cities to house the increasing number of people with high needs. We need the right types of houses, in the right places, to the right standard to better meet demand and the changing needs of our customers.

Changing the paradigm

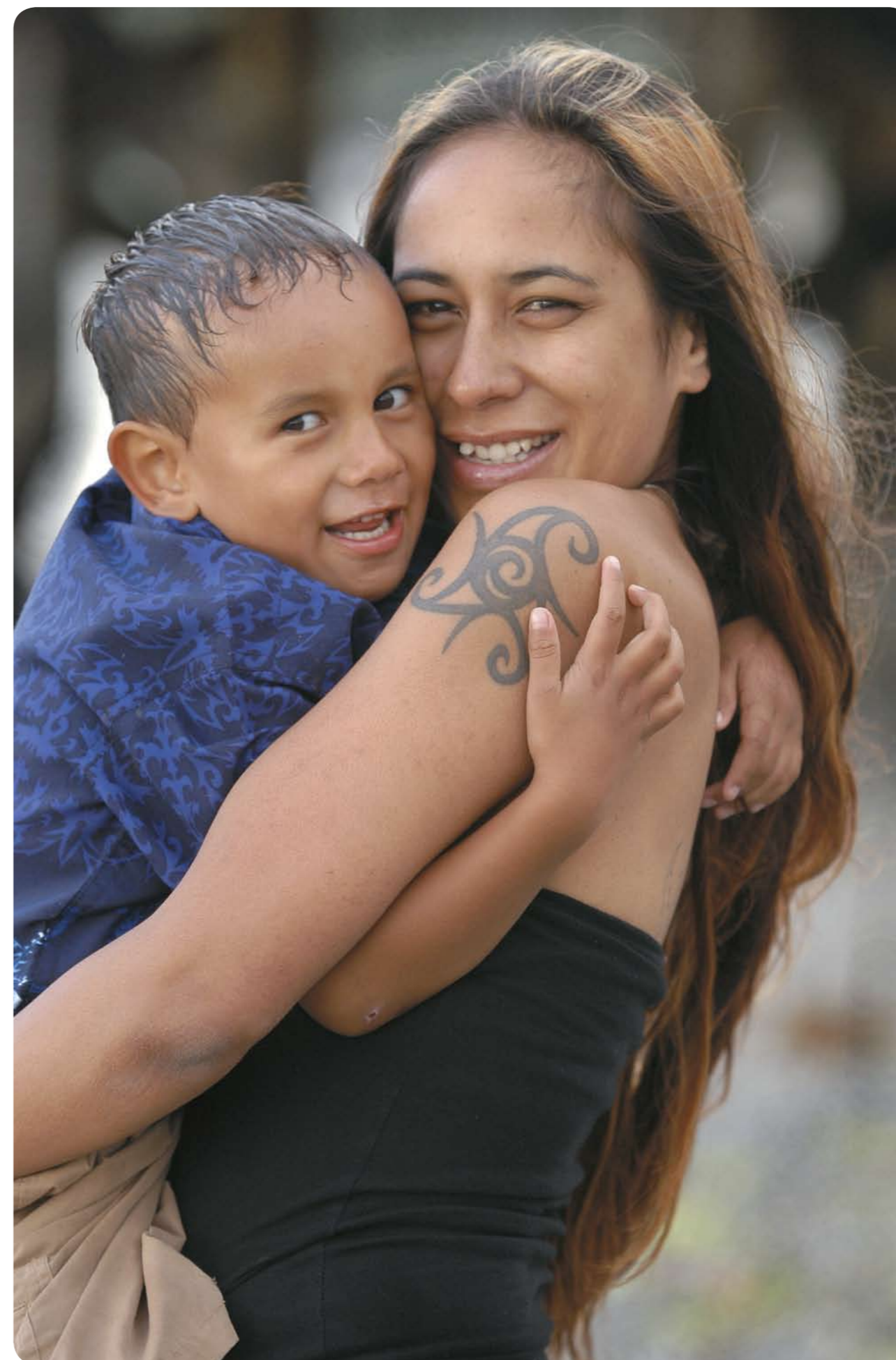
Housing more people in high need without increasing expenditure is a big challenge requiring a bold approach and some changes in the way New Zealanders think about state housing. We must refocus how we operate, putting our customers at the heart of everything we do, and providing housing for those most in need for the duration of their need. We must also help our customers who are able to find independent housing, such as private rental or home ownership, to do so.

We have to work proactively with others

We have to make changes while making sure we are fair and we must be more effective in targeting help to the most vulnerable in our communities. This means becoming more focused on our customers and their individual circumstances, providing exceptional customer service that meets their expectations, and working to find realistic and sustainable solutions to New Zealand's social housing needs.

The size and urgency of the problem means we cannot solve it alone. We must work with our partners, the community, and the private sector to make a difference and help more of our customers.

*3,500 priority applicants on the waiting list and their families (excluding transfers).



WHO WE SERVE

Our customers
Local communities

OUR MISSION

We provide access to decent housing solutions for New Zealanders with priority needs

OUR VISION

Helping New Zealanders in their time of housing need

OUR CHALLENGES

Demand for housing assistance is growing particularly for people with high and complex needs

The current distribution, concentration and standard of our housing portfolio does not match demand growth and the changing needs of our customers

We cannot address the growth in demand alone. A collaborative, joined up approach across government, social and commercial housing providers is needed

We need to build our capability and improve performance if we are to meet demand and achieve our strategic goals

We must achieve our economic and social objectives within a capital constrained environment

OUR STRATEGIC GOALS

To effectively provide for those most in need, for the duration of that need, through the right products and services

To develop the housing portfolio to be 'fit for purpose' by type and location

To actively seek and develop genuine partnerships that strengthen social housing and communities

To be proactive, results focused and a high performing organisation

To deliver economic and social value

WHO WE WORK WITH

Local communities
Local councils
Community housing sector

Shareholding Ministers
The Treasury
Department of Building and Housing

Ministry of Health
Ministry of Social Development
Accident Compensation Corporation

Te Puni Kōkiri
Ministry of Pacific Island Affairs
Other central government agencies

Iwi
Private developers
Institutional investors

OUR CHALLENGES

We have to make the resources we have go further and ensure they help more people who need it most.

We face challenges in meeting current and forecast customer needs within an environment of capital constraints.

Our challenges include the following:

CHALLENGE 1: *Demand for housing assistance is growing, particularly for people with high and complex needs.*

Complex needs are likely to drive demand even more in the future.

Economic, demographic, and social projections for New Zealand suggest that customer numbers, and the diversity and range of social housing needs, will rapidly grow in size and complexity.

Tenancy conditions have not kept pace with tenants' changing life situations.

Some of our state houses are occupied by people paying a market rent and other tenants whose life circumstances have improved over time. There are others who live in houses which are too large for their needs. From a fairness perspective we need to find ways to work more proactively with tenants as their circumstances improve to explore suitable alternative housing options, making way for those on our waiting list who have the greatest need.

CHALLENGE 2: *The current distribution, concentration and standard of our housing portfolio does not match demand growth and the changing needs of our customers.*

We need to develop the state housing portfolio to accommodate growing demand that will continue to change in house size and location.

The state built large numbers of three-bedroom houses in the 1950s and 1960s for low-income workers and families. Demand has changed since then from nuclear family arrangements to housing for single people, one-parent families, and larger families. The demand has shifted to the larger centres of Auckland, Wellington, and Christchurch. Demand for state housing in places such as Central and South Auckland is expected to continue to grow. We need to reconfigure the housing portfolio to better match demand and the changing needs of our customers, enabling us to do the greatest good.

The state housing stock is also ageing. Many state houses need significant upgrading to reflect a modest yet reasonable current standard, suitable for modern-day living. Our ability to divest, invest, and configure our assets to meet demand is restricted.

We need to address the legacy issues of high concentrations of state housing in certain locations.

A large proportion of state housing is concentrated in certain areas of Wellington and Auckland (such as Tamaki). The effect of targeting state housing to high need applicants under the current system of assessment has been to concentrate deprivation in these areas, resulting in poorer outcomes, including lower educational achievement, poor health, overcrowding, and crime.

We need to show leadership in making efforts to reduce deprivation, and develop mixed-tenure communities in these locations. The costs of redeveloping major urban areas in Auckland and Wellington are substantial with the housing component of Tamaki alone estimated to be between \$1 billion and \$2 billion over 20 years. Addressing the challenges inherited from the past will require more than just our portfolio of houses. We also need a concerted approach from government and non-government agencies and the communities themselves to support determined action.

CHALLENGE 3: *We cannot address the growth in demand alone. A collaborative, joined up approach across government, social and commercial housing providers is needed.*

The challenges of meeting growing demand for social housing are faced not only by us, but by our partners too.

The social housing sector in New Zealand offers an alternative to state housing by supporting people with housing and support services and affordable rental and home ownership opportunities. However, like us, our social and commercial housing partners such as iwi, community housing providers, local authorities, and the private sector are also operating in an environment of limited resources.

But challenges can also mean opportunities. By working with our partners we can amplify the impact of what we do, knit services together, and help more people. To do so, we need to better understand our role alongside other public and private providers and agencies, focus on our areas of expertise, and work collaboratively with others to make sure that as a sector, we are helping the most people.

CHALLENGE 4: *We need to build our capability and improve our performance if we are to meet demand and achieve our strategic goals.*

The reality is, we must proactively resolve these challenges and legacy issues to be a 'fit for purpose' organisation for the future. If we are to deliver the changes needed, we will need to build our capability and improve performance.

Increasing the Corporation's productivity, efficiency, and effectiveness will require us to think and operate differently.

For staff in particular, this will involve working in new ways, acquiring new skills, and strengthening the focus on customer service and delivering value. We will need to support our staff with the right tools, processes, and technology, to ensure we have the capability to deliver the changes needed. For example, our computer systems are past their expected lifespan and require significant investment to support a direction that is more customer-focused, flexible, and effective.

CHALLENGE 5: *We must achieve our economic and social objectives within a capital constrained environment.*

We are responsible for giving effect to the Crown's social objectives by providing housing and housing-related services. We are also required to operate with good financial oversight and stewardship, and efficiently manage the Crown's investment.

The Government has made it clear that the public service must deliver more value within existing funding over the next few years. As the Government's second largest asset, the Corporation is expected to deliver an appropriate return, balanced with our core role as provider of state housing to those most in need.

THE WAY FORWARD



THE CHANGE JOURNEY SO FAR

Our journey of change has already begun. In 2009, the Board and Chief Executive led a process to identify how we could best use our assets and resources to provide housing for vulnerable New Zealanders and meet their needs into the future.

The Board and Chief Executive reported to Ministers in December 2009, outlining the challenges facing the Corporation and a strategic response to achieve a sustainable, significantly self-funded social housing system with the capacity and the capability to meet changing patterns of demand effectively over the long-term. The Board proposed that the way forward was through a combination of:

- *clear Crown social objectives – the Minister’s Letter of Expectations in March 2010 defined the Crown’s social objectives for the Corporation*
- *appropriate funding and accountability settings that fund the social components of the Corporation’s role while allowing it to embed commercial disciplines*
- *strategic partnerships between the Corporation and private partners, iwi, and community housing organisations*
- *appropriate tenancy and management strategies that target state housing to those in ongoing need.*

This review has provided the basis for engagement with Ministers regarding the Government’s expectations, and the development of our Strategic Plan.

We have also committed to a journey of continuous improvement. We have introduced a strategic management framework based on best practice which, over time, will enable us to align, manage, and evaluate what we do to achieve better results. Recent areas of focus have been:

- *developing a customer segmentation framework to provide a comprehensive and enduring view of our current and future customers, and to help us design and deliver products and services for them*
- *developing an understanding of the providers we work with now, and could work with in the future, to meet the changing needs of our customers and the wider social housing market*
- *producing and designing a strategic and annual planning framework for the future*
- *developing a new vision and a picture of what we want the future to look like*
- *developing an enduring performance measurement framework with performance indicators to measure progress and success*
- *implementing a sound management process to oversee the deployment, management and delivery of the Strategic Plan and vision, and make sure we manage change effectively.*

OUR STRATEGIC DIRECTION

We will have to think and operate differently, making new decisions for today and tomorrow's needs.

Our new strategic direction outlines a more targeted approach to meeting our challenges. Our new mission, vision and strategic goals reflect our drive to become more focused, flexible, and responsive to our customers and meet demand for social housing both now and long term.

OUR MISSION

Housing New Zealand Corporation provides access to housing solutions for New Zealanders with priority needs.

We are sharpening our focus on our core business and solving major legacy issues.

Our purpose is still to help those who need it most. But we recognise that to help more people, we must make better decisions about who we help, how we help, and for how long we help.

We will need to work closely in partnership with other social housing providers, iwi, local authorities and the private sector to provide housing solutions to meet increasing demand in key regions such as Auckland.

We are looking for innovation in our business that better targets and tailors our work, brings us closer to our customers, and integrates our work with others.

OUR VISION

Helping New Zealanders in their time of housing need.

We will take a more dynamic approach to our role. In helping one person, we are not helping another. We have an obligation to design our products and services to help as many people as possible.

We will provide the right solutions for those with priority needs for the time those needs exist. In an environment where resources are scarce, this will mean reassessing housing needs occasionally to determine whether people's circumstances have improved and if they have the potential to move along the housing continuum.

For some, a state house may be needed for a long time, for example by a person with severe disabilities, but that helps them achieve independence to live as full a life as possible. Others may need a state house to stabilise their housing situation and they may

soon be ready to explore options in the private rental market, or home ownership with the right support.

We will work to build a good understanding of our customers, together with a flexible range of products and services that we can offer by ourselves or in partnership with other providers.

We will provide customers with access to an expanded and complementary range of housing options across the housing continuum through partners such as iwi, local government, community housing organisations and the private sector.

We will ensure that we meet taxpayers' expectations of helping people who need it for the duration of their need and we will reassure them that if they fall on hard times, we are there to help them get back on their feet.

OUR CUSTOMER PROMISE

Our relationships and the way we work with our customers, partners and communities will support us to achieve our vision. By treating each other with courtesy and respect, and working together in the following ways, we can achieve the best possible outcomes for our customers.

Our customers can expect us to:

- *be honest, fair and objective*
- *have the right skills and knowledge*
- *do what we say we will do*
- *listen to them to understand their individual circumstances*
- *provide them with the right information and advice at the right time*
- *make it easy for them to communicate with us.*

In turn, we need our customers to:

- *provide us with the right information at the right time*
- *keep any agreements they make with us*
- *tell us if their situation changes*
- *treat us as they like to be treated.*

OUR STRATEGIC GOALS

We need to step-up significantly in our approach – this is the focus of our Strategic Plan.

We have identified a set of high-level goals to meet the challenges described earlier. The strategies and key initiatives to achieve these goals are designed to change the way we operate.

Strategic goal	Challenge
To effectively provide for those most in need, for the duration of need, through the right products and services.	Demand for housing assistance is growing, particularly for people with high and complex needs.
To develop the housing portfolio to be 'fit for purpose' by type and location.	The current distribution, concentration, and standard of our housing portfolio does not match demand growth and the changing needs of our customers.
To actively seek and develop genuine partnerships that strengthen social housing and communities.	We cannot address the growth in demand alone. A collaborative, joined up approach across government, social and commercial housing providers is needed.
To be a proactive, results-focused, and high-performing organisation.	We need to build our capability and improve our performance if we are to meet demand and achieve our strategic goals.
To deliver economic and social value.	We must achieve our economic and social objectives within a capital constrained environment.



GOAL 1

To effectively provide for those most in need, for the duration of need, through the right products and services.

What is the impact we are seeking to make?

Our goal is to effectively provide for those most in need and for the duration of their need, by providing the right products and services.

But meeting the demand for social housing is an immediate challenge. More people are asking for help than we have the ability to provide for. Many are in desperate circumstances. In the future, the queue outside our door is likely to grow significantly larger, but our resources will not.

To respond, we have to work differently. We have to focus our business around our customers, making sure we deliver excellent customer service, and help those who need it the most, when they need it most.

We are committed to the well-being of our customers. We need to focus on helping those with priority housing needs. This is about improving how we do our core role and working with our customers to improve their housing outcomes and, in doing so, their lives.

As people's circumstances change, their housing needs and potential housing options change. We need to be focused on our customers, assessing

an individual's needs as their circumstances change, and working out how best to provide a housing solution. That means having a thorough understanding of our customers, their circumstances, their aspirations, and the barriers they face to housing independence. We will put our customers at the heart of everything we do, listening, understanding and responding appropriately to their needs and circumstances.

Depending on those circumstances, our role in helping people might be as a landlord to stabilise or improve their housing situation, or it might be as a facilitator of housing options for those able to rent privately or own their own home.

We need efficient, effective products and services that are relevant to our customers, and well integrated with those offered by others.

We need to recognise that in helping one person, we are not helping another, and design and deliver our business in the fairest way we can.



OUR KEY STRATEGIES

Strategies	Description
Determine the Corporation's priority customers as part of a customer life cycle management approach.	To do this we will need a thorough understanding of our customers and key customer segments, their circumstances, their aspirations, and the barriers they face to housing independence.
Review, design, and develop products and services that best meet social objectives, market dynamics, and customer needs.	We need efficient, effective products and services that are relevant to our customers' life cycle position and which are well timed, well located, and well integrated with those offered by others.
Establish a customer delivery framework based on the customer life cycle.	More focused segments (need and location), and customer life cycle understanding will result in a closer relationship with customers and a service delivery model involving other agencies.
Reconfigure the Corporation's service delivery model and footprint, supported by the appropriate competencies.	The availability of a new enterprise transformation technology and improved customer segmentation and service delivery will provide the basis of a new model and footprint.
Work with government agencies and other providers to deliver joined up services.	At all stages, from assessment to service delivery, opportunities will be sought to work more closely with other agencies and providers, with Options and Advice an early phase of this approach.

GOAL 2

To develop the housing portfolio to be 'fit for purpose' by type and location

What is the impact we are seeking to make?

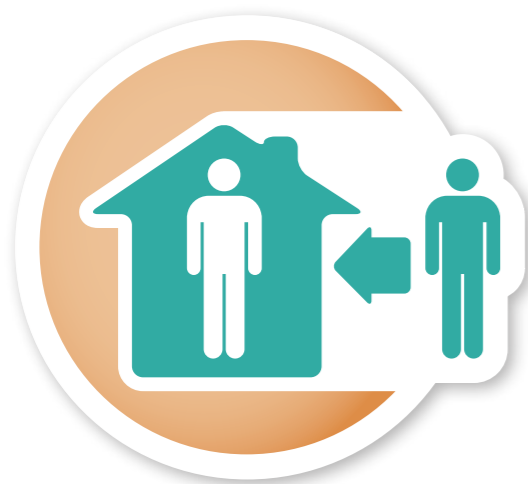
Our goal is to develop a housing portfolio to be 'fit for purpose' by type and location to support our customer delivery, and be better able to match demand and the changing needs of our customers.

Our homes can change lives. We need them where they can do the greatest good but we face a long journey to get there. The distribution, concentration and nature of our homes is a legacy of decisions taken in a different time and place. We need to make new decisions for today and tomorrow.

We require the right housing, in the right place, and at the right time while recognising that people's circumstances change over time, as will demand for social housing across the country. Not only do we face an expanding population and a growing need for social housing, we are also facing a multi-billion dollar bill to upgrade our existing state houses to a modern standard. Reconfiguring the housing portfolio to better meet housing needs is a priority.

Focused decision-making, clear priorities, a willingness to work with others, and a sophisticated understanding of demand for our homes, will make sure we get the most from our assets and support those who need help the most.

The scale of change required is significant and will take time to achieve. We will need to focus our activity in locations with the highest demand and this will mean reducing, where appropriate, resources in locations with low demand but in a planned way that takes account of existing and future needs of tenants.



OUR KEY STRATEGIES

Strategies	Description
Deliver and maintain all our houses to the right standard and in the right location.	We will need to define and agree standards, identify the scale of gaps and initiate a market approach for sales and acquisitions.
Determine the Corporation's priority areas and undertake portfolio reconfiguration and/or exit and acquisition.	Our asset portfolio planning processes, including economic life cycle management will have to be enhanced significantly.
Reduce state housing concentration by fostering mixed tenure communities.	This will involve developing 10-year strategies for key communities where we have high levels of housing.
Leverage partnerships with housing providers, iwi, and the private and commercial sector to reconfigure the state housing portfolio. <small>(This is also an important strategy under Strategic Goal 3).</small>	We will seek mutually beneficial partnerships with housing providers, iwi, and the private and commercial sector to reconfigure our portfolio and in so doing, also create social and affordable housing supply opportunities.
Progressively reduce the gap between the agreed standards and the housing condition of our stock.	We will need to develop and implement a deferred maintenance system.

GOAL 3

To actively seek and develop genuine partnerships that strengthen social housing and communities.

What is the impact we are seeking to make?

Our aim is to actively seek out and develop genuine partnerships that strengthen social housing and communities. Through these partnerships we hope to grow social housing supply so that an expanded and complementary range of housing options along the housing continuum is available to our customers.

We will also work to attract private sector investment to support the reconfiguration of the state housing portfolio, and in so doing, create social and affordable housing supply opportunities. Demand for social housing is already strong and is expected to increase. The size and urgency of the problem is such that we can't solve it alone. Local government, community housing organisations, iwi, and the private sector, play key roles in social housing. We must work with our partners, the community, and the private sector. We have to start now.

Our capability to build genuine partnerships that achieve mutual goals have recently shown promise. The Tamaki Transformation Programme is an urban community regeneration initiative in Auckland. This is a collaborative partnership between ourselves and a network of agencies including local authorities, the private sector, iwi, central government agencies, and members of the Tamaki community. Through the programme we have developed new ways of working with our partners to deliver both better value and improved housing and social outcomes.

Our Māori Demonstration Partnerships have also shown how we can work collaboratively and creatively with iwi who are ready and willing to invest in infrastructure such as housing. The Partnerships initiative seeks to achieve mutually beneficial social and commercial outcomes that address growing demand for affordable housing, and help Māori achieve their housing aspirations.



Effective partnerships are critical to achieving our first two goals but it is an ambitious undertaking. The New Zealand social housing sector is in its infancy and it will take time to grow the scale required. We must work with our partners to ensure an expanded and complementary range of housing and community solutions are delivered.

This is not about doing things as we have done them in the past. We need to think differently, develop and apply different skills, and work actively and innovatively with our partners to achieve mutual goals.

We also need to improve our own flexibility, agility, and capability to work with social, iwi, government and commercial partners so that we can build genuine partnerships that leverage each other's strengths. In doing so, we can maximise the use of our collective resources and provide seamless and joined up services to help more people in need.

OUR KEY STRATEGIES

Strategies	Description
Increase the flexibility, agility, and capability of the Corporation to partner with key social, commercial, local and central government partners.	We will assess our capability and competency to partner effectively by seeking feedback from our partners. We will identify initiatives to build our capability. We will use lessons learned from the Tamaki and Hobsonville community engagement models to help develop effective partnership approaches.
Build genuine partnerships with key partners that leverage each other's strengths.	We will explore opportunities to proactively share information and identify common issues with our partners. We will work together with our partners to develop a shared vision for social housing in the future. We will actively engage our partners and key stakeholders in our strategic planning processes.
Develop tailored responses to meet the needs of our partners.	We will review our products and services with our partners and develop more flexible and tailored approaches. We will develop a flexible menu of existing resources (services, products, funding, and expertise) that can be tailored to the individual circumstances of our partners. We will work with iwi, local government, non-government providers, and the private sector to grow social housing supply at scale, and leverage our purchasing scale to assist partners



GOAL 4

Be a proactive, results-focused and high performing organisation.

What is the impact we are seeking to make?

Our aim is to build on the progress we have made through Performance Excellence in developing processes, capabilities, and organisational structure and management to enable planned change and to better support our people in their ability to deliver front line services that directly affect New Zealanders.

We will continue to align our core values and organisational culture to focus on our customers and support the changes we are seeking to achieve. The scale of the challenges we face is significant. We will need focused, capable leadership, adaptable and skilled people, a commitment to delivery, and systems and processes that enable success and support our goal to become a proactive, results-focused and high-performing organisation.

Our senior managers have been actively involved in developing and testing the agreed strategic direction for the organisation. We will be looking to them to lead change and ensure performance objectives are aligned with the strategy and staff understand what is expected of them and why.

The plan requires us to fundamentally review our business processes and develop new ways of working with a strengthened focus on customer service and delivering value.

Our strength is our people and we will focus on supporting them. To this end, we will ensure that staff have the necessary tools, capability, and training to support the change being undertaken. A key enabler will be the Enterprise Transformation Programme (ETP), which will redesign key processes and provide staff with the tools and technology they need to deliver customer-focused services.



OUR KEY STRATEGIES

Strategies	Description
Build leadership capability to develop a highly engaged, motivated, and productive workforce.	This will involve core leadership and management development modules and assessment procedures.
Be a performance-driven organisation with a clear line of sight to deliver business results.	Management and employee KPIs will be clearly linked to the Corporation's strategic goals.
Ensure we leverage the diversity of our workforce and provide the required tools, capability, and skills to deliver to the Strategic Plan.	A baseline review of the Corporation's current workforce capability against the target business model will be required.
Successfully develop and implement best practice processes and systems, including leveraging technologies.	Business implementation of ETP system and redesign key processes that create value.
Commitment to continuous improvement and effective change management.	We will use our performance excellence roadmap and establish an organisational structure, management processes, and capabilities to support the planned organisation change.

GOAL 5

Deliver economic and social value.

What is the impact we are seeking to make?

We aim to operate with commercial discipline and demonstrate efficiency and effectiveness and, in doing so, represent the most value for taxpayers.

We need to earn the freedom to make the right decisions because we are a taxpayer-owned organisation. The resources we use could easily be used elsewhere in government and so we must demonstrate good decision-making, prudent management, and demonstrate performance.

We are required to give effect to the Crown's social objectives by providing housing and housing-related services, and to operate in a business-like manner with sound financial oversight and stewardship of the Crown's investment.

The current economic environment, and the need to deliver value for money for taxpayers in providing services, are both powerful motivators for change. For us this means operating with commercial discipline and demonstrating efficiency and effectiveness to represent the most value for taxpayers.

We will need to fully understand, measure, and communicate the trade-offs in our business, and the outcomes of our decisions for priority customers. If our business is transparent, New Zealanders can see what we are about and understand the choices we make.

We need to work closely with our responsible Ministers and our key partner agencies, such as the Treasury and the Department of Building and Housing, so that we continually improve the value of what we do and help more of our customers in housing need. We need to support this with performance measures that allow us to make balanced decisions. This will allow us to find the right balance between social and financial outcomes.



OUR KEY STRATEGIES

Strategies	Description
Balance good commercial practice with social and public value objectives.	This will involve finding agreement with Ministers on the right balance between commercial and social outcomes.
Achieve long term funding sustainability within our financial resources.	Embedding processes for delivering transparent costs and benefits; establishment of a long-term funding strategy including agreed dividend policy will be key components.
Effective implementation and achievement of 'early wins' to build the confidence of key stakeholders within the context of the long term plan.	A need for effective implementation leadership and benefit realisation out of ETP and other selected initiatives in relation to realistic expectations.
Develop a framework for performance measurement to inform balanced decision-making and agreed reporting.	This involves establishing an appropriate performance framework and delivering on performance improvement actions.

ENABLING STRATEGIES THAT WILL HELP US ACHIEVE OUR GOALS

Performance Excellence

We are committed to a journey of continuous improvement. Performance Excellence will continue to provide us with a strategic management framework to implement our Strategic Plan and continue to achieve better results.

Customer Segmentation

We are developing a customer segmentation framework to better understand current and future customers, their profiles and needs. This will play a critical role in developing customer focused strategies that are targeted to the needs of our customers and to improving their housing outcomes. When fully developed, the framework will be maintained and used across the Corporation to inform the design of products and services, tailor customer delivery, and allow us to work more collaboratively with our partners.

Provider and Stakeholder Work Programme

We are developing a fuller understanding of our partners to help us fully understand the current and projected supply of social housing products and services. We want to better understand the role of our partners including their future strategies and intentions, map their connections with us, and identify opportunities to work more collaboratively. This work will be coordinated with the customer segmentation work to match future demand and supply projections

Māori Strategic Plan – Te Au Roa

Our Māori Strategic Plan – Te Au Roa, was created to improve the housing outcomes for Māori. While the high-level principles of Te Au Roa are still relevant, significant changes have taken place since the plan was published in 2007, such as the desire of iwi to invest in social housing. The development of our new Strategic Plan represents a process of transformational change to improve our performance in all aspects of business. It also represents a significant opportunity to develop a new approach to achieve better outcomes for Māori.

Pacific Housing Strategy

Our customer segmentation has identified a high proportion of Pacific peoples as tenants who aspire to own their own homes. Pacific peoples account for about a third of state housing occupants, and experience relatively poor housing outcomes compared with other New Zealanders. In cooperation with the Ministry of Pacific Island Affairs, we have developed Orama Nui, a 10-year housing strategy for Pacific peoples to more effectively respond to their housing needs and support their housing aspirations, including achieving home ownership.

Auckland Housing Strategy

The Auckland region is New Zealand's largest metropolitan area and plays a central role in the national economy. The region faces many challenges. Population growth and housing demand is forecast to increase faster in Auckland than in the rest of New Zealand. Auckland represents a significant and growing part of our business with 45 percent of state houses in the Auckland region, and applicants for state housing making up around half of the total national waiting list.

The Strategy recognises that Auckland's future growth requires us to be proactively engaged in developing Auckland. Strong relationships with central and local government, community housing organisations and iwi are critical to the success of this strategy. Establishing a collaborative relationship with the Auckland Transition Agency and the new Auckland City Council is an immediate priority.

Enterprise Transformation Programme

The Enterprise Transformation Programme (ETP) is a key enabler to help us achieve our Strategic Plan. It will improve performance through better systems and processes. ETP will redesign our key processes and provide staff with the tools and technology they need to deliver customer-focused services. The programme is designed to help the organisation become more customer-driven, improve efficiency and effectiveness, and help us reduce risks.

