



Office of Hon Bill English

Deputy Prime Minister
Minister of Finance
Minister Responsible for HNZC

24 NOV 2014

Kieran Trass
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Dear Kieran Trass

Thank you for your Official Information Act request, received on 25 October 2014. You asked the following:

"A) Have you read the legislation outlining the obligations of Housing NZ (HNZ)?

Your desire to shift the social housing responsibility away from HNZ to the private sector appears to fail to acknowledge or meet the legally binding functions and responsibilities of HNZ.

These are well described in the Housing Corporation Act 1974.

B) Exactly how does selling down a significant portion of HNZs social housing stock meet the legally binding requirement on HNZ?

"To give effect to the Crown's social objectives BY PROVIDING HOUSING..."

C) Exactly how does selling down a significant portion of HNZs social housing stock meet HNZs legally binding requirement to "be an organisation that:

1) EXHIBITS A SENSE OF SOCIAL RESPONSIBILITY by having regard to the interests of the community in which it operates"?

D) Has HNZ met its legally binding requirements to;

"3) OPERATE WITH GOOD FINANCIAL OVERSIGHT and STEWARDSHIP, and efficiently and effectively manages its assets and liabilities and the Crown's investment"?

E) Has HNZ failed to adhere to its own mission statement?

By stating the private sector can do a better job at providing social housing, you are implying that HNZ has failed in its duty to adhere to its own mission statement. The Corporation's mission statement is as follows; "The Corporation provides access to decent homes, helping New Zealanders manage their own circumstances and contribute to community life."

F) What legal mandate does the National party have to sell a large portion of HNZs stock which has been built up and owned by the NZ public inter generationally?

G) Why was the proposed HNZ stock sell down not highlighted by the National government prior to the recent election?

H) Why was the proposed HNZ stock sell down not clearly spelled out in the National parties policy on housing prior to the election?

I) Assuming you do sell a portion of HNZ stock please explain exactly how you intend to measure the performance of the private sectors provision of social housing on an ongoing basis?

We all know the private sector won't do a good job because they must put profit before people - at any cost to the people - and the people we are talking about that will bear the brunt of private sectors profit focus will be those who need social housing.

You may also like to read the briefings made in 2011 and 2013 to the incoming Ministers for Housing, <http://www.hnzc.co.nz/our-publications/briefing-to-the-incoming-minister> if you do look at these publicly available online you will notice a large amount of information in those briefings have been "withheld to protect the confidentiality of advice tendered by officials".

J) What type of officials are being 'protected' by withholding information in those briefings?

And

K) why does the publicly owned largest single stakeholder in NZs residential property market (HNZ) need such secrecy?

L) Do you intend to engage any third parties to 'broker' the sale of HNZ stock and if so whom will that be and on what financial basis will they be engaged precisely?

This issue is of importance to the nation because Housing NZs asset base is a multi Billion dollar 'honeypot' as you are fully aware.

There is the opportunity for the private sector to profit confidentially and massively from the initial historic event of a sell down, to the tune of hundreds of millions, or even Billions of dollars at the publics expense whilst cloaking crucial information from the unsuspecting public with the tried and true 'Cloak of confidentiality'.

This modus of operandi has been used to successfully hide the truth from the public, by politicians, countless times and has made a mockery of the Official Information Act.

Perhaps you may want to review your and the Prime Ministers intentions for HNZ before this sell down enters the history books as just another political blunder that drove the needy and the public purse into further poverty with your name on it."

My replies to your questions are as follows.

- A) Your question does not relate to official information as defined under the Official Information Act 1982. Official information is defined under section 2(a) of the Act:

Official information –

- a) means any information held by –
- i. a department, or
 - ii. a Minister of the Crown in his official capacity, or
 - iii. an organisation.

To the extent that any information exists in relation to this question, it is my personal information. I am therefore declining to respond to this question.

- B) This information is publically available. As detailed in Housing New Zealand's 2012/13 annual report (<http://www.hnzc.co.nz/our-publications/annual-report>), part of Housing New Zealand's divestment strategy is to sell older properties that are no longer fit for purpose, or that are financially unviable for repair. In 2012/13, it sold 552 properties in areas of low demand, and demolished for redevelopment or had leases expire on 278 properties.
- C) Please refer to my answer to your question B.
- D) This information is publically available. As detailed in Housing New Zealand's 2012/13 annual report (<http://www.hnzc.co.nz/our-publications/annual-report>), it returned a dividend to the Crown of \$90 million in 2012/13, after growing its assets by \$1.3 billion between 2011/12 and 2012/13.
- E) This information is publically available. As detailed in Housing New Zealand's 2012/13 annual report (<http://www.hnzc.co.nz/our-publications/annual-report>), Housing New Zealand will continue to provide access to decent homes, helping New Zealanders manage their own circumstances and contribute to community life.
- F) Your question does not relate to official information as defined under the Official Information Act 1982. Any information that exists in relation to this question is my personal information. I am therefore declining to respond to this question.
- G) Your question does not relate to official information as defined under the Official Information Act 1982. Any information that exists in relation to this question is my personal information.

However, work to investigate options on growing the social housing market, including options around transfers of Housing New Zealand stock, was announced in May 2014:

<http://www.beehive.govt.nz/release/government-grow-social-housing-sector>
<http://www.mbie.govt.nz/what-we-do/housing/social-housing-reform/eu-itu>

- H) Your question does not relate to official information as defined under the Official Information Act 1982. Any information that exists in relation to this question is my personal information. I am therefore declining to respond to this question.

- I) I do not hold this information. The Government has not made decisions on selling any portion of Housing New Zealand stock, beyond that already planned for sale by Housing New Zealand.
- J) It is the advice of officials, rather than the identity of the officials, that is being protected by the withholding of information that you have identified. However, information on these officials is publically available. As detailed on the Housing New Zealand website, there are a number of board members, and management staff listed (<http://www.hnzc.co.nz/about-us/our-structure>).
- K) As mentioned in the answer to your previous question J, Housing New Zealand prepare their Briefing to the Incoming Minister and make decisions on what aspects of it are not suitable for public release. You have the right to ask the Ombudsman to investigate and review their decisions. Your question does not relate to official information as defined under the Official Information Act 1982. Any information that exists in relation to this question is my personal information. I am therefore declining to respond to this question.
- L) I do not hold this information. As mentioned in the answer to your previous question G, Cabinet agreed-in-principle, subject to work by Treasury and Ministry for Business, Innovation, and Employment officials, to establish an Independent Transactions Unit as an entity charged with social housing market development, including transfers of Housing New Zealand stock. No decisions have been made on establishing an Independent Transactions Unit, or how such a unit would be funded.

Accordingly, I am declining your request for the information requested in your questions B, C, D, E and J under section 18(d) of the Official Information Act – the information requested is or will soon be publicly available.

In addition, I am refusing questions I and L of your request under section 18(g) of the Official Information Act – that the information requested is not held by the Minister, and there is no reason to believe that the information is held by, or more closely connected to the functions of, another department, Minister or organisation.

This fully covers the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely



Hon Bill English
Minister of Finance