



## EMAIL NEWSLETTER

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## Friday 22 May 2015

Dear Colleagues

### 2015/16 Budget Announcement – Step on the Accelerator

We've completed a media release on the **2015 budget**, available [here](#). The place we need to put our focus on is the new **Flexible Purchasing bill** – see below – and we are being asked to put forward solutions for how this more flexible approach to rent subsidy can fill multiple gaps – for capital, and for services as well as a top-up to tenant rent payments. Last year's budget had committed \$30M in Social Housing Fund grants, with the first \$10M to have been available July 2015. We know that many are disappointed to see that has been reprioritized to operational funding. We hope this pattern is not repeated in 2016 on the promised increase of \$25pw for beneficiary payments.

The budget is organised a bit differently this year – the detail has historically been listed in “Vote Housing” which is now renamed “**Vote Building and Housing**” and reflects the wider scope since there are three ministers overseeing various portfolios. Vote Social Development and Vote Finance contain various programmes. As more detail becomes available we'll pass that along. Go to [www.treasury.govt.nz](http://www.treasury.govt.nz) for more details

The door is open for us to put solutions forward. I'll guess what many of you are thinking – we've done that before and haven't gotten anywhere. What's different now?

A lot is different. Changes are occurring – and the space is ours to put our solutions forward. Last week we published **Our Place** – and pages 13-15 outline the strategic programme of work that CHA will be able to do – as we are pleased to report the budget provides for funding over the next three years to do it. We're finalising the details on those contracts and will keep you posted. Please know that you have an incredibly dedicated team of colleagues on the CHA National Council – and we are grateful to their stewardship that such a forward-thinking programme has been accepted by government. The Council will be meeting with Minister Bennett on 9 June 2015 – please let us know of your questions that you'd like addressed at the meeting.

## **Social Housing Reform (Flexible Purchasing and Remedial Matters) Bill**

This new piece of **legislation**, introduced under urgency on budget night 21 May 2015, replaces “the income-related subsidy” with “funding by way of payments under reimbursement agreements and tailored agreements”. We think that this is the legislative tool that Government is using to fast-track the changes to IRRS that we have all been asking for:

- Long term contract periods - e.g. 10+ years (the draft legislation does not specify any period)
- Payments to hold a unit vacant for a family in need
- Payments for more (or less) than the market rent – e.g. for enhanced tenancy management
- A portion of a long term funding contract available as an up-front subsidy payment (is this the successor to capital grants?)

Even if a provider had long term certainty of a market rent of \$400 per week for a 2 bedroom flat, a community housing provider would only be able to sustainably borrow up to about \$220,000 – leaving a gap of at least \$50-100k or more to make the finance work. Can this new flexible approach provide an up-front payment to fill that gap – or a weekly top-up payment of say a further \$200 per week to enable greater borrowing? Will this flexibility be available

everywhere in New Zealand or only in Auckland? We haven't seen the detail – it appears the legislation simply grants the power to ministers to approve the “reimbursement agreements” and “tailored agreements”, thus facilitating a commercial negotiation with officials, subject to ministerial approval. We could be wrong. Or only partially correct. Since it appears to be under urgency, looks like the usual select committee process is avoided.

CHA is keen to work with the Auckland Community Housing Providers Network (ACHPN) and providers across the country – to put forward a cohesive solution that would work for all providers. Please let us know your thoughts, and we'll watch this space together.

## **MBIE Crown Land in Auckland**

MBIE is leading a work programme to facilitate the development of more affordable housing on parcels of Crown land to further increase supply to the Auckland market. We have identified approximately 430 hectares of Crown land in areas zoned for residential housing in Auckland. Further work is underway to assess the development feasibility of the opportunities identified so far and to establish if there is additional land that can be included in this programme. An open invitation to hear more about it is on 29 May at 2:30pm at the Pullman Hotel, Auckland. The invite document is available [here](#).

## **Report on Charities Legislation**

The New Zealand Initiative has launched its report “[Giving Charities a Helping Hand](#)”. According to their [website](#), the report is “on charities regulation, and the smothering effect it is having on the sector. Analysing a decade of regulatory upheaval, the report argues that it is time for carefully considered reforms that help the sector, not hinder it”. As our members are acutely aware, a review of the Charities Act and its proper administration is long overdue. You can read the report [here](#).

## Tamaki Redevelopment Corporation Hiring

The Tamaki Redevelopment Corporation recently announced it is recruiting for an Asset Manager and a GM Assets and Development. The right people for these roles will have an extensive background in property management and procurement, they will be well versed in all aspects of commercial and residential development and, naturally, have excellent business acumen, and an absolute belief in community and neighbourhoods and the essence of what contributes to that. More information can be found [here](#).

## Waikato-Tainui Hiring

Waikato-Tainui are looking for a Housing Coordinator to coordinate and lead the implementation of their new tribal housing strategy. Waikato-Tainui are also looking for a part-time Housing Assistant (0.8 F.T.E). This role will facilitate the logistics and coordination of Housing Education Programmes, the RFR notification and purchase process, and will assist with the Housing Pathway packages as required. More details [here](#)

## Events

The New Zealand Green Building Council's 'How To' workshop on Smart Water Management  
The **New Zealand Green Building Council** is holding a workshop in Auckland on 29 May 2015 from 9:30-11:30am. It will present the latest research on water management in New Zealand buildings, plus a case study on innovative rainwater and greywater solutions in housing. It will be held in Auckland but it will be live streamed to other centres – so all regions are able to access the workshop. Full details are [here](#).

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