



EMAIL NEWSLETTER

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4 June 2015 Newsletter

Dear Colleagues

MSD Flexible Purchasing Questions – what’s on your mind?

The CHA Council is meeting with Minister Bennett in Auckland on Tuesday 9 June 2015 as part of a longer meeting to approve our workplan, budget, and funding contracts. We’ve advised the minister of the topics we wish to cover during this meeting in our letter of 22 May 2015. Read the letter [here](#)

One of the main topics will be the new Flexible Purchasing and Remedial Matters Act – and what is to be considered for the ‘Ministerial Directions’ that the act requires before it can be utilised by MSD.

We’ve heard many questions from the sector, summarised below, on how Flexible Purchasing is meant to work in practice. We’ve sent these to MSD and will be raising them during our upcoming conversations.

1. Please explain how CHOs and Housing New Zealand agreements are similar and different. Is the intent to create a level playing field?
2. Is this the end of IRRS? Will all rent subsidy be handled through tailored agreements?
3. What gives a tenant certainty that the contracting agency (CHO or HNZA) will be able to continue to use the benchmark of 25% of tenant income in all new tailored agreements?
4. Will the ‘tailored agreements’ allow for up-front subsidy payments that can be used toward building new units?

5. How long can contracts be for (we understand 10-25 years is the range, but how does a CHO know what they are eligible for?)
6. Can the 'tailored agreement' with the CHO include payments for tenancy management, wrap-around service coordination, payment above the median market rent?
7. If so, then what is the transparent formula or protocol that a CHO can follow to apply the rules?
8. How is inflation addressed through the tailored agreement? Is there an annual adjustment based on changes in market rents? Are there choices for how future year cost increases are dealt with?
9. If there is a shock to the system that changes a cost beyond the inflation-related increases (eg interest rates, earthquake insurance changes, substantial rates rises, etc), how will the tailored agreement address those?
10. Is it planned to have a published set of tailored agreement provisions, which provides certainty and transparency, or is each agreement up for negotiation?
11. If it is planned to have a published set of provisions, what process is being used to develop it.
12. How can we be of service in establishing the parameters for the "Ministerial Direction" on the purchasing terms?

MSD Provides more detailed information for providers on the social housing register

The Ministry of Social Development (MSD) released additional information for providers on Wednesday 3 June 2015. According to the Ministry, "social housing providers can access more comprehensive information around current demand for social housing, using data in the social housing register. This builds on the recently released MSD IRRS purchasing intentions information. Providers can access useful information on the needs of social housing applicants at the most detailed level possible while still retaining the anonymity of applicants."

The information is available on the MSD website [here](#)

If you have any questions please do not hesitate to call
Keitha Cathro-Mills
General Manager Advisor

Work and Income Contracts
029 200 6284

We are hearing from many of you that there are problems with a match between the high needs families presenting to you locally, and what the data from the Social Housing Register says the needs are, and what happens to other families with housing need that isn't accepted as high enough. Please help us feed that through to MSD – models are only ever as good as the inputs, and there is a way to go before the demand documented by MSD matches true demand in our communities.

On The Nation: Lisa Owen interviews Haami Piripi

Iwi Chairs Forum spokesperson Haami Piripi says iwi want Government to transfer state houses to them at no cost, putting them at odds with National's commitment to getting a "fair and reasonable" price for taxpayers. Read the full interview on our website [here](#).

Reserve Bank Policy on Residential Property Investors

The Reserve Bank of New Zealand (RBNZ) released its decisions about bank capital adequacy requirements for residential property investment mortgage loans and a regulatory impact statement on 29 May 2015. A consultation document was released on 3 June 2015. Read the documents [here](#)

The RBNZ first proposed changes in September 2014 and has consulted on the issue several times in the intervening period. The changes will require non-owner occupied mortgage loans to not exceed 70% LVR and banks to hold greater capital in reserve for these types of loans. The changes will take effect from 1 October 2015.

Development of Housing on Crown Land in Auckland – 29 May 2015 Launch

What did you think? In general, the initiative seems like a positive step, however, we kept listening for the commitment to ensure that delivery by CHOs would be central to both social and affordable housing delivery.

Why wouldn't this be an opportunity for government to demonstrate greater leadership, by ensuring that all of the new supply generated by this land would meet the Retained and Relative affordable price points set out in the Auckland Accord? Wouldn't this also be an opportunity to demonstrate the merits of increased productivity from the construction sector that our colleagues at PrefabNZ are calling for? Shouldn't government lead by example?

Post budget breakfasts – hosted by NZ Council of Christian Social Services

We're grateful to our partners at NZCCSS for hosting Ministers Bill English and Anne Tolley at the 27 May 2015 (Auckland) and 28 May 2015 (Wellington) events. Here's a quick summary of a few points:

- Government is trying to change focus away from what is being done and onto who and where people are being impacted i.e. placing a focus on outcomes rather than inputs. Efforts to get the Government agencies talking with each other and working collaboratively is a challenge but they are seeing some signs of success.
- It was confirmed that 100% of the proceeds of the sale of State houses would be fed back into housing. This in response to a question by Bays Community Housing Trust.
- MSD able to consider contracts with housing providers up to 25 years under the terms of the new Flexible Purchasing Act just passed (whether and when this will be available beyond Auckland wasn't stated)
- It was acknowledged that Government has not solved and didn't currently have a solution as to where the capital needed to develop the number of social houses, especially through the Community Housing Sector, would be coming from.
- Government is learning more about housing thanks to assistance from the Auckland Community Housing Providers' Network (**ACHPN**) and CHA. Ministers mentioned it had been somewhat repetitive and intense but didn't indicate this in a critical manner but more in the manner that it is taking this type of approach to get messages through.

Housing seemed to dominate the discussion which was intended to be much wider on the other social investment aspects of the budget.

Many thanks to Warren Jack for contributing to this piece.

EVENTS & TRAINING

AHI Seminar

The Australasian Housing Institute has announced that the second Partnerships to Support Social Housing Tenants Seminar will be held in Adelaide on 29 June 2015.

This professional practice seminar aims to provide opportunity for social housing professionals to explore partnership options between housing providers and support and community services that assist tenants to manage sustainable tenancies and aid their positive engagement and integration into the wider community. [Full details and registration can be found here.](#)

Chintaro Webinar

Chintaro is presenting a Social Housing management system web presentation on Friday 5 June at 2pm. Chintaro is the management software of choice for over 150 Australian and NZ Social Housing providers because it automates many of the activities of housing managers, saves time, is accounting package independent, improves tenant outcomes including communications, reporting, asset management and much more. [Click here for details and to REGISTER.](#)

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