



COMMUNITY HOUSING AOTEAROA NGA WHARERAU O AOTEAROA ANNUAL REPORT 2015

JULY 1 2014 - JUNE 30 2015



Community housing sector diversity by region and stock*



About Community Housing Aotearoa

Community Housing Aotearoa, Inc. (CHA) is an incorporated society and the representative body that binds New Zealand's community housing sector together. A list of members can be found on p. 15.

Established in 2004, CHA plays an important role in placing the community housing sector at the forefront of housing delivery, listening to its members and representing them as one voice.

Company details

- **Co-chairs:**
Warren Jack, Julie Nelson
- **Nature of Business:**
Advocate for community housing
- **Registered office:**
Level 1, Southmark House,
203 Willis Street, Wellington
- **Bankers:**
Kiwibank
Private Bag 39888,
Wellington Mail Centre,
Lower Hutt 5045
- **Council members:**
Keith Preston, Rau Hoskins,
David Cole, Moira Lawler,
Allan Pollard, Garry Moore
- **Executive Officer:**
Scott Figenshow
- **Financial Reviewer:**
Ian Voisey, The Tax Lady,
Wellington
- **Incorporation Number:**
1583033
- **IRD Number:**
89-577-874

CONTENTS

Co-chairs welcome	4
Community housing organisations	5
Address from the Director of Community Housing Aotearoa	6
The year in review	8
Member perspective	10
Treasurers' report	11
Summary of financial statements	12
Independent reviewer's report	14
Membership roster 2014-2015	15

*Please refer to Details Matter (Community Housing Aotearoa, 2015) on www.communityhousing.org.nz for a comprehensive stocktake of New Zealand's community housing and social housing sectors. The stock figures use 2013 and 2014 data.

CO-CHAIRS WELCOME

We are pleased to report that Community Housing Aotearoa ended the year on substantially stronger financial ground, with the confirmation of a three-year funding agreement with government.

Community housing in New Zealand is entering a new phase, providing unprecedented opportunities and challenges.

As a national issue, housing is more important now than at any time in recent memory.

The Prime Minister's state of the nation address in January 2015 notably focused on Government's efforts to establish a new channel of social housing delivery through the Social Housing Reform Programme. The importance of this work was earlier signalled by the appointment of the Honourable Paula Bennett to the newly created role of Minister for Social Housing.

CHA is working to ensure the needs of its members and the sector are represented in the national dialogue. Serving as co-chairs for your national peak body, we are pleased to work with such a talented set of colleagues from across the sector. This collective leadership focus on delivery of outcomes and local responses to delivery across the housing continuum, led to the development of a sector strategy – 'Our Place' – as a major initiative, with the draft released in May 2015 for stakeholder consultation and feedback.

'Our Place' was built on a series of inputs from the sector during the year. A two hour workshop held in conjunction with our Annual General Meeting in October 2014 allowed us to hear directly from members about their priorities for increasing the supply of social and affordable housing.

The presence of officials from the Treasury's Establishment Unit, the Ministry of Business, Innovation and Employment and the Ministry of Social Development ensured that the voices from the coal face were heard directly by those working to make social housing reforms succeed.

Following months of data collection and face-to-face conversations, CHA produced the 'Details Matter' stock take of the sector in February 2015. It sends the clear message that at a time of growing need for quality affordable housing across the housing continuum, community housing organisations are committed, capable and ready to respond. Our efforts, and bringing this together into a strategy, fills the void that our Government's approach has left open. And you have asked us to fill that void.

We are pleased to report that CHA ended the year on substantially stronger financial ground, with the confirmation of a three-year funding agreement with Government. While the agreement is with the Ministry of Business, Innovation and Employment, it encompasses a five-part scope of work (outlined in 'Our Place') that includes the Ministry of Social Development and the Treasury. CHA has also built a solid work stream through the New Zealand Housing Bonds initiative, and ongoing relationships with local authorities across New Zealand.

We hope you'll agree that our messages are being heard by Government, and that they recognise the tremendous value that our coordinated, solutions-focused work offers. Representing your voice is a privilege, a responsibility that we take seriously.

Julie Nelson & Warren Jack
Co-Chairs of Community Housing Aotearoa.

COMMUNITY HOUSING ORGANISATIONS

As the landscape evolves with new funding tools and stakeholders, community housing organisations have the capacity to seek out new opportunities and make a significant contribution to housing supply in New Zealand.

Professional organisations with a strong emphasis on sustainability are delivering the highest quality of housing across a broad spectrum of need all over New Zealand. This is the community housing sector and it consists of dedicated, professional and innovative not-for-profit organisations who are leading the future delivery of affordable homes, the majority of which have voluntarily joined as members of CHA.

The distinction between community housing organisations and other housing providers is that they provide more than just the bricks and mortar. They provide linkages to community supports and 'wrap-around' services in addition to affordable accommodation. The community housing sector endorses a mixed-income, mixed-tenure approach, ensuring that affordable housing is a great neighbour to ordinary market housing.

As the landscape evolves with new funding tools and stakeholders, community housing organisations have the capacity to partner and seek out new opportunities, thereby making a significant contribution to housing supply.

Currently community housing organisations deliver good quality, affordable homes for over 15,000 people.

They are setting a goal to offer homes for 50,000 more people by 2020. CHA is determined and proud to do more than ever to bring the strengths of this important sector to the attention of developers, Government, funders and the general public. At a time of enormous national change in the provision of social and affordable housing, CHA stands with its members, voicing tangible solutions to our housing challenges. We can do better.



ADDRESS FROM THE DIRECTOR OF COMMUNITY HOUSING AOTEAROA

It is time to tell New Zealand that the community housing sector means business when it comes to helping those who need our support.

Creativity. Relationships. Confidence. Solutions. It is a pleasure working with you, our sector colleagues during these times of tremendous change.

Your work in meeting the needs of your communities across New Zealand is tremendous.

It marks an immense creative response, demonstrating stability for the families you serve, even when the operating environment we work in is anything but stable.

Through the living document 'Our Place', we can bring together a coherent strategy – not just for the community housing sector- but for truly addressing our communities need for a properly functioning social and affordable housing continuum. We're dedicated to making it work, for every community, all the time.

It's a big task but thankfully we are continuing to build strong relationships – across government, with the commercial sector, with the community sector, with our constitutional partner Te Matapihi, and of course, with you our members. Our growing partnerships with the

New Zealand Council of Christian Social Services, with the New Zealand Council for Infrastructure Development, with Prefab NZ and with the Centre for Research, Evaluation and Social Assessment helps us span the knowledge and expertise necessary to connect our messages with those who are often saying the very same things, yet with further evidence to support our aims. As our voices find common views, we can speak with greater confidence that the solutions we promote are workable and will deliver better outcomes for individuals, families and communities.

The solutions that are coming through from these relationships are ones we all know – that there is need for a mix of funding tools, that include capital grants, the income related rent subsidy, access to publicly owned land, patient capital, and the responsible use of low cost long term debt. We still have a lot of work to do for our multi-instrument symphony to play a beautiful tune. But we are getting there. While it's great to see the flexible purchasing provisions allow for greater flexibility on the income related rent subsidy, these are currently only being trialled in Auckland - what about the rest of New Zealand? The unfortunate demise of the Social Housing Fund capital grants programme means we have further work to do to get all of the instruments working together at the same time, and to allow a choice depending on the project and community need. How wrap around services are funded long term remains unclear.



'Our Place' is a coordinated housing strategy which was drafted by CHA between 2014 and 2015, after close consultation with the community housing sector. CHA continues to engage with the sector to refine and develop this strategy further. It is available to download from www.communityhousing.org.nz.

The reality of overheads for many of our members is that the rent subsidy barely meets the requirement to pay the mortgage, to run our organisations to the highest standard, and to keep providing the highest quality of housing management so that our homes are sustainable for future generations. Providing additional affordable housing to the people of New Zealand is simply not feasible through this new funding model alone.

We hope that the Government will introduce support measures to tackle this. Indeed we have made every effort ourselves and in early 2015 CHA paved the way forward for Housing Bonds as a viable tool for members in Auckland and which we hope to be able to roll out through other parts of New Zealand in due course.

We are determined to seek out many more pioneering solutions but we cannot achieve mass delivery without a continued commitment from Government. The benefit that community housing organisations bring to the table is that we can use a limited amount of Government funding to leverage much more. With an emphasis on value for money we provide a solid solution and frankly a good bargain for the taxpayer.

It is time to tell New Zealand that the community housing sector means business when it comes to helping those who need our support. As Director of CHA, I am proud to play my part in helping to ensure that the community housing sector is placed at the forefront of the delivery of housing. CHA and its members will continue to partner with Government, private funders and other stakeholders to develop creative ways of providing the maximum number of quality, affordable homes.

Scott Figenshow,
Director of Community Housing Aotearoa.



THE YEAR IN REVIEW:

Housing bonds

Advanced significantly, seeing the Auckland City Council commit to a \$6M guarantee.

3 year contract secured

With the Ministry of Business, Innovation and Employment so that CHA can be the voice of the community housing sector, build capacity and foster collaboration, promote best practice in housing policy, and champion quality and excellence.

11 media appearances

Including articles in the New Zealand Construction News and Housing Works.

Government funding

Housing capital grants fund ceased / income related rents subsidies introduced.

Sector knowledge injected into:

- Health and Safety Reform Bill.
- Wellington City Council: Social Housing Service Policy.
- Auckland Council: social housing eligibility criteria and the Proposed Auckland Unitary Plan.
- Christchurch City Council: social housing restructuring.
- Ministry of Business, Innovation and Employment: submission on eligibility and registration of community housing organisations.
- Productivity Commission: "Using Land for Housing".
- Finance and Expenditure Select Committee: charities and income tax review.
- Ministry of Social Development: emergency housing review.

2014 CHA Impact Conference

97% of attendees said the conference was value for money.

Networking

Regular networking meetings were held alongside the New Zealand branch of the Australasian Housing Institute, including a networking forum with the Honourable Paula Bennett, Minister for Social Housing.

Social housing reform

CHA represented the sector with the Treasury Establishment Unit, Ministry of Social Development, the Ministry of Business, Innovation and Employment on the social housing reform programme.

Collaboration in action

Working with New Zealand Council for Infrastructure Development, and with support from Auckland Council, CHA facilitated discussions on how to accelerate the development of social and affordable housing at scale in New Zealand.

Maintaining affordability

CHA and the sector reinforced prominence on affordability retention in policy and provision.

26 e-newsletters to 300 recipients

Providing up-to-date information and access to events, research and policy.

Clarity of capacity and direction

- CHA brought its members together to draft a sector strategy, appropriately named 'Our Place' - All New Zealanders well-housed.
- With the assistance of New Zealand Council of Christian Social Services, CHA continues to engage with the sector in coordinating a strategy.
- 'Details Matter', a review of financial and stock levels in the sector was published.

Charitable status

Discussions around the charitable and tax status of community housing groups continued.

MEMBER PERSPECTIVE

When we do receive objections to building a development of affordable housing in an area, our selling point is that by very high property management standards we make social housing indistinguishable to ordinary housing.

Demand for housing has increased dramatically in the past few years, particularly in Auckland. An enormous challenge lies ahead in responding to this need, and it is made all the more difficult within the context of a very limited public budget. The community housing sector is eager to play its part and we're ready to be placed at the forefront of housing provision.

As CEO of CORT Community Housing and as a member of CHA since its inception I firmly believe that the key to the success of community housing organisations is their ability to be run like an effective business. Acting as a business enables us to reap financial success and achieve our social objectives. This goes completely against some of the misconceptions around social or affordable housing providers. Some have a perception of an inefficient, unprofessional sector that may do some social good but lack any basic business sense or acumen. I think it is very important to combat that stereotype as it can often lead to objections which slow down progress in housing developments.

The fact is that the more successful we are at running our business the more people and the more households we can help. And so with this in mind we operate extremely efficiently and ensure that our financial stewardship is of the highest standard. Most of us operate as social enterprises, very aware of the necessity to generate a profit. Surpluses as we like to call them are simply reinvested back into the next projects, rather than distributed to shareholders. The personnel that manage and run residential property developments and provide tenancy management know and understand sustainable housing more than anyone. Between us, we potentially represent the most skilled collection of affordable housing practitioners in New Zealand.

.....

And we're not just about building housing. We see housing provision as a means of delivering better community outcomes.

.....

If we don't get housing right, then we are not going to get health, education or any of our community or societal goals right.

We are regulated by the Community Housing Regulatory Authority. Our governance, management, financial viability, tenancy management and property and asset management are all assessed and monitored by this regulatory authority.

When we do receive objections to building a development of affordable housing in an area, our selling point is that by very high property management standards we make social housing indistinguishable to ordinary housing.

It makes good business sense to run our organisation to the highest professional standards and I am confident that our model, a pairing of business and charity, creates a unique and highly effective response to housing need in New Zealand today. I'd like to acknowledge the support of CHA in enabling our sector to reach its goals and make solid progress in responding to the housing crisis.

Peter Jeffries

CEO of CORT Community Housing Aotearoa.

TREASURER'S REPORT

Community Housing Aotearoa completed the 2014–2015 financial year in a strong position to continue its work programme. A net surplus of \$16,039 was realised which increased total equity to \$75,737.

Overall income and expenses increased over \$250,000 from the prior year due to a growing revenue stream from contract work. This earned income supplements the core funding received from the Ministry of Business, Innovation and Employment (MBIE). In June, MBIE confirmed a new three-year agreement at a healthy level, providing certainty of CHA's continuing ability to support members for the next three years.

The past year the Government has been paying increasing attention to the work of our sector. CHA completed a review of sector stock and financial data, setting in motion on-going work to demonstrate our sector's growth. Work continued on the proposed New Zealand Housing Bonds and announcements on that progress will follow later this year. We produced 'Our Place', the draft strategy for achieving the vision of 'All New Zealanders well-housed'. All in all, a very busy and productive year.

This will be my last year on the CHA Council. As Treasurer since 2009 and at various times a council member since 2004, I am pleased to be leaving CHA in a position of strength and stability. This happy situation hasn't come about by chance but through the hard work and diligence of our staff and my fellow councillors and I would like to acknowledge their significant contribution.

.....

The landscape has truly changed over this period but the principles and values on which we were founded remain the same.

.....

We should value our diversity and our independence; we should be very clear about what distinguishes our community housing from social housing.

We should be willing to work with Government but separate from Government and not hesitate to challenge frameworks and policies that we know won't work.

Keith Preston

Treasurer of Community Housing Aotearoa.

GOAL
Provide homes
for 50,000 more
people by 2020

COMMUNITY HOUSING STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

<i>Statement of Financial Performance</i>	2015 \$	2014 \$
Revenue		
Grants	253,876	245,000
Interest	1,141	1,200
Other income	286,148	44,793
Total operating revenue	541,165	290,993
Expenses		
Admin expenses	34,680	41,114
Delivery expenses	263,017	65,047
People expenses	227,429	194,064
Total operating revenue	525,126	300,225
Net surplus / deficit for the year	16,039	(9,232)
Total recognised revenues and expenses	525,126	300,225
 <i>Statement of Movements in Equity</i>	 2015 \$	 2014 \$
Movements in equity for the year	16,039	(9,232)
Equity at the beginning of the year	59,698	68,930
Equity at the end of the year	75,737	59,698

<i>Statement of Financial Positions</i>	2015 \$	2014 \$
Assets		
Current assets	262,841	110,155
Non-current assets	6,940	6,826
Total Assets	269,781	116,981
Liabilities		
Current liabilities	194,044	57,283
Non-current liabilities		
Total liabilities	194,044	57,283
Equity	75,737	59,698
Total liabilities and equity	269,781	116,981



The Tax Lady

Accounting Services for Small Business
www.thetaxlady.co.nz

3 September 2015

To Whom It May Concern

Community Housing Aotearoa Inc

We have reviewed the accounts of Community Housing Aotearoa for the period ended 30 June 2015 (12 months).

In our opinion:

- Proper accounting records have been kept by the organisation as far as appears from our examination of those records, and the organisations 2015 Financial Statements.
- The accounts comply with generally accepted accounting practice, and give a true and fair view of the financial position as at 30 June 2015 and financial performance and cash flows for the year ended on this date of the organisation.

Our review was completed on the 3rd of September 2015 and our unqualified opinion is expressed at this date.

THE TAX LADY WELLINGTON LIMITED.

Kind Regards

Ian Voisey
At the Tax Lady

Level 11 • Orbit Tower • 94 Dixon Street • Wellington • 04 473 4311
224 Fergusson Drive • Silverstream • 04 526 4866
PO Box 48075 • Wellington • 5142
admin@thetaxlady.co.nz

MEMBERSHIP ROSTER 2014-2015

A

Abbeyfield New Zealand Inc
Accessible Properties Ltd
Affinity Services
Aorangi Maori Trust Board
Atamu EFKS Porirua Inc
Atareira - Easy Access Housing Service
Auckland and Onehunga Hostels
Endowment Trust
(now called Te Tumu Kāinga)

B

Bays Community Housing Trust
Beacon Pathway
Better Communities Limited

C

Chow:Hill Architects Ltd
Christchurch Methodist Mission
City Housing, Christchurch City Council
Comcare Trust
Community Care Trust
Community Housing Trust
Community of Living Trust
CORT Community Housing
Compassion Housing Ltd
Coromandel Independent Living Trust
CRESA

D

De Paul House
Dingwall Trust
Dwell Housing Trust

E

Elevator Group Inc

G

Golden Bay Housing Trust
Grey Power

H

Habitat for Humanity Auckland
Habitat for Humanity New Zealand
He Korowai Trust
Houhanga Rongo Trust Board
Housing Plus Charitable Foundation
HRT Property Holding Trust

I

Ingrid Downey
Island Child Charitable Trust

J

Just Housing Otepoti Dunedin

K

Keys Social Housing
Koromiko Consulting

L

Lifetime Design
Lifewise Trust

M

Manaia Health PHO
Maniapoto Māori Trust Board
Manukau Urban Māori Authority
Marlborough Sustainable Housing Trust
Mercy Villas
Monte Cecilia Housing Trust

N

Napier City Council
Navigator Limited
Nelson Tasman Housing Trust
New Zealand Council of Christian
Social Services
New Zealand Housing Foundation
Nga Hau E Wha National Marae
Ngā Rau Tātangi - Māori Housing
Foundation

P

Papakainga Solutions Ltd
Pathway Charitable Group
Port Nicholson Block Settlement Trust
Presbyterian Support New Zealand
Presbyterian Support Southland

Q

Queenstown Lakes Community
Housing Trust

R

Recovery Solutions Property Trust
Richmond Services Limited

S

Spectrum Care Trust
Stepping Stone Trust

T

Tāmaki Redevelopment Company Ltd
Tauranga Community Housing Trust
Te Hau Ora o Kaikohe
Te Kainga Oranga Trust
Te Runanga o Ngai Tahu
Te Runanga o Ngati Awa
Te Runanga o Ngati Porou
Te Tomika Trust
Tenants Protection Association
(Christchurch) Inc
The Property Group
The Salvation Army
Trust House Limited

V

VisionWest Community Trust

W

Waiohiki Community Charitable Trust
Wellington City Council
Wesley Community Action
Whangarei Accessible Housing Trust

Community housing has a vision of all New Zealanders well-housed, where choices are available across the 'housing continuum' that meet the varied needs of any household, at a price they can truly afford, today and tomorrow.

We see a future where mixed-income, mixed tenure communities are the norm, with high quality homes that are warm, dry, easy to take care of, and inexpensive to run and maintain.

These are homes that enhance health and well-being, homes we can be proud of, in communities that people feel part of, and where every person can have a stake in their future, whether they rent or own their home.

Visit www.communityhousing.org.nz to find out how we plan to make this vision a reality!

