



Office of Hon Dr Nick Smith

Minister of Conservation

Minister of Housing

22 MAY 2014

Mr Scott Figenshow
Director
Community Housing Aotearoa
PO Box 11543
WELLINGTON 6142

Dear Scott

Thank you for your email dated 4 March 2014 requesting clarification on the Social Housing Reform Programme. It was good to meet with you and Warren Jack on 30 January 2014, and I welcome your follow-up enquiry.

As we discussed, the housing strategy is outlined in the Housing Shareholder Advisory Group report 'Home and Housed'. This strategy has led to the Social Housing Reform Programme, which the Government will continue to implement in the next year. The reform programme will bring significant changes to the community housing sector, such as the extension of the Income Related Rent Subsidy on 14 April 2014. However, some changes are still subject to Cabinet decisions and are presently less certain. Given the impact of the reforms on the sector, I understand why it is important for Community Housing Aotearoa to seek certainty for its members. I will ensure that I communicate all decisions made relating to the sector as soon as possible.


Capital grant funding available for community housing providers for the three year term to 2014-2015 has now been fully allocated. This funding was allocated early to enable community housing providers to plan with certainty. As you will be aware, the fund allocation as at mid-March 2014 expects 800 units to be completed. However, I understand that only 83 code compliant units out of the 800 have been completed. Although I appreciate the sector requires certainty for planning future properties, it is important that we achieve the current programme. Decisions on future funding following the current term have yet to be determined and are subject to Budget decisions.

I understand your concern about stock transfers. There has been considerable work by relevant government agencies on how stock transfers can be achieved. However, the terms under which they will occur are yet to be determined by Cabinet. My expectation is that there will be a limited number of transfers by the end of June 2014, and I will have a clearer idea about this in the next couple of months.

I envisage, too, that the income tax issue for community housing providers deregistered as charities will be resolved this year. I am currently working with the Minister of Revenue, Hon Todd McClay, to create a workable tax exemption. I understand the community housing sector's frustration with this issue and I hope for a speedy resolution.

Thank you for taking the time to write to me.

Kind regards

A handwritten signature in black ink, appearing to read 'Nick Smith', is written over a horizontal line.

Hon Dr Nick Smith
Minister of Housing