



Briefing for Incoming Minister

HOUSING AND URBAN DEVELOPMENT

STATE/SOCIAL HOUSING

2017



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA


Housing New Zealand
Housing New Zealand Corporation



THE TREASURY
Kaitohutohu Kaupapa Rawa



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

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Introduction

This briefing provides an overview of state/social housing, and upcoming state/social housing decisions for the Minister of Housing and Urban Development.

This briefing has been prepared by the five agencies with roles in state/social housing: the Ministry of Social Development (MSD), which is the lead state/social housing agency, the Ministry of Business, Innovation and Employment (MBIE), Housing New Zealand Corporation (HNZC – a Crown agent), Te Puni Kōkiri and the Treasury.

While this briefing details our current focus in relation to state/social housing, we look forward to discussing the most effective ways we can support you and your priorities as Minister.

We understand that your key state/social housing objectives are to increase the provision of state/social housing, clearly position state/social housing as a core public service, strengthen the focus of HNZC on tenant needs, remove any expectation for HNZC to pay a dividend and, take serious action to end homelessness. We would welcome an opportunity to discuss these objectives with you.

All figures in this document are as at 30 September 2017, unless otherwise stated.

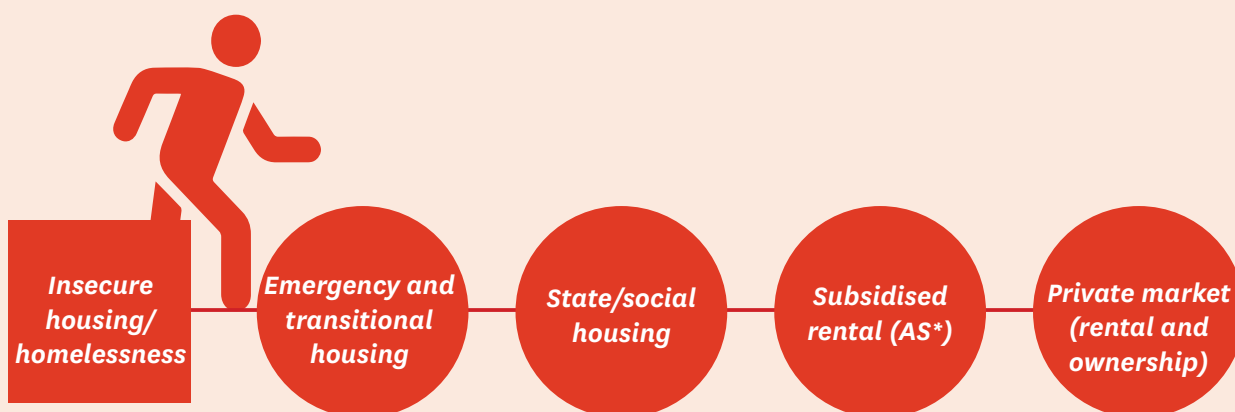
The broader housing market is creating significant challenges for state/social housing – we would like to discuss with you how to respond to growing demand.

Affordable, safe and stable housing underpins families and individuals being able to achieve positive education, health and labour market outcomes.

State/social and emergency housing sit within a broader housing continuum as illustrated below. Pressures and trends in one part of the housing continuum have significant flow-on impacts. The cost of housing and the inability to access suitable housing is one driver of poverty rates for families and children, but also for low-income single adults.

Demand for state/social housing is increasing rapidly, driven significantly (but not only) by declining housing affordability and a shortage of affordable housing for private rental or ownership. The number of eligible households waiting to be placed in state/social housing rose by 27 percent between September 2016 and September 2017, and by 72 percent between September 2015 and September 2017¹. Auckland accounts for the majority of applicants, but the greatest increases in demand are in other centres.

Housing Continuum



* Accommodation Supplement

The median time to house Priority A households² on the Social Housing Register in 2016 was 48 days. In the year to 30 September 2017, the median time to house these households was 47 days.

Other social factors also contribute to people's ability to access or sustain housing in the private market such as addiction issues, mental health conditions and having a history of offending. Increasingly, clients presenting in need of emergency and state/social housing have complex needs which have not been met by other parts of the social and justice sectors.

State/social housing funded by central government makes up only around four percent of the total residential housing market in New Zealand and around 11 percent of the rental market, and is very costly. Growing need for housing assistance cannot be effectively addressed without policy changes to increase the supply of affordable housing for both ownership and private rental.

¹ Figures for the Housing Register only (new applicants). This does not include households on the Transfer Register, who are already in state/social housing, but waiting to move to an alternative property. The Housing Register and the Transfer Register combined are referred to as the Social Housing Register.

² Households on the Social Housing Register are either Priority A (households considered 'at risk') or Priority B (households with a 'serious housing need') and are housed according to their level of priority. Priority A is the highest priority.

Your approach to increasing (and modernising) state/social housing will have an impact on the cost of new supply and the speed at which it can be secured.

The challenges currently facing state/social housing are significant. A shortfall of housing in the private market, particularly in specific regions, is resulting in increased financial stress for low- to middle-income households, growing demand for state/social housing, increasing poverty rates for families with children and low-income single adults, and an increasing reliance on emergency and transitional housing.

The most sustainable and cost-effective solution to many of the challenges currently facing state/social housing is improving the affordability and availability of housing in the private market, particularly by ensuring that housing supply responds effectively to demand. As addressing these affordability issues will take some time, there is a need for greater government intervention in housing provision, including an increase in the level of state/social and emergency housing in the short to medium term.

We understand your priority is to build a minimum of 1,000 additional state/social houses per year until demand is met.

MSD has an existing target for new supply (6,400 by 2020), but would appreciate the opportunity to discuss with you whether this should be revised in light of increasing demand and your priorities.
S9(2)(f)(iv) Active consideration.

Officials would like to discuss your views on an appropriate level of supply and whether you would like to seek a greater level of supply from HNZA than currently proposed, as well as other options for new supply, including partnerships with community housing providers, local government and iwi. We would also like to discuss with you your manifesto commitment to increase the availability of houses to New Zealanders through KiwiBuild.

There are significant cost implications to new state/social housing supply.
S9(2)(f)(iv) Active consideration³.

You may also wish to explore changes to housing subsidies (the Income-Related Rent Subsidy and Accommodation Supplement) and ensure they are operating as an effective 'safety net' for those on the lowest incomes. There are various options for more fundamental reform, but each of these involve trade-offs and there are no simple solutions. There are also adjustments to existing subsidies that could be considered instead, to better support low-income households with their housing costs within the current regime. MSD can provide further advice on this.

³ S9(2)(f)(iv) Active consideration

Demand for emergency and transitional housing has considerably exceeded expectations and raises questions about social sector roles.

Since 2016, MSD has had an expanded role in providing emergency and transitional housing for individuals and families in immediate and severe housing need. Prior to 2016, there was no single coordinated approach within government to the provision of emergency housing. MSD has sought to address immediate and severe housing need for those without shelter. However, motels are not suited to long-term housing of vulnerable people with complex needs and the level of demand for transitional housing has led to higher than anticipated expenditure on the Emergency Housing Special Needs Grant.

Uptake of the Emergency Housing Special Needs Grant has dropped in recent months as more transitional⁴ places have become available, and this has resulted in a decrease in expenditure.

MSD has a target to increase the number of transitional housing places to 2,155 by the end of 2017, and will continue to consider the optimal number of places to meet presenting demand. This in turn should further reduce expenditure on the Emergency Housing Special Needs Grant. However, this relies on transitional housing tenants being able to move into state/social or private market housing. In many areas, this is likely to be difficult without an increase in affordable housing supply. Additionally, if rates of homelessness continue to increase we are likely to again see higher than anticipated expenditure on the Emergency Housing Special Needs Grant.

There are questions about both the nature of MSD's ongoing role in responding to homelessness, and the extent to which there are gaps in the provision of niche housing services in New Zealand; for example, for recently released prisoners, people with severe mental health issues and disabled people. Some people in need of emergency housing have been evicted from state/social housing for persistent antisocial or illegal behaviour, raising questions about the role of state/social housing as housing of last resort. MSD will provide you with a separate briefing on reducing homelessness.

⁴ Transitional housing is accommodation for people who need support to secure longer term, more permanent housing.

State/social housing

Appendix 1 provides a visual overview of the current state/social housing system, including the roles of different agencies and players.

Who can access state/social housing?

State/social housing is targeted at households who cannot access or sustain a tenancy in the private rental market for a range of reasons. Under the Housing Restructuring and Tenancy Matters Act 1992, state/social houses are properties owned or leased by HNZA and registered⁵ community housing providers which are able to be tenanted by people who have been assessed by MSD as being eligible for state/social housing⁶.

Most tenants in state/social housing pay Income-Related Rent, which limits the amount of rent they pay to no more than 25 percent of their net income⁷. This rental payment is then topped up by an Income-Related Rent Subsidy (IRRS) paid to the housing provider (HNZA or a registered community housing provider) by MSD, which covers the balance between the tenant's rental payment and the market rent of the property.

MSD manages the needs assessment process for state/social housing (which determines eligibility and priority), and maintains the register of applicants waiting for a state/social house.

Client journey through the state/social housing system



⁵ A registered CHP is regulated by the Community Housing Regulatory Authority. Registered CHPs must comply with the prescribed Performance Standards and are monitored at least on an annual basis.

⁶ Housing provided by local councils and unregistered community housing providers is also often publicly referred to as 'social housing', but is not currently funded by central government. Clients applying for this housing do not have their eligibility assessed by MSD.

⁷ Tenants with income above New Zealand Superannuation pay a higher proportion of their income as Income-Related Rent.

The following factors are considered as part of the needs assessment:

- a household's ability to afford alternative private housing
- the standard of their current housing
- the extent to which the household's current housing meets their needs (including overcrowding)
- factors that may prevent them from finding alternative housing (such as accessibility/specific medical needs, a previous criminal conviction or poor credit history)
- their ability to sustain private housing in the long term.

Households on the Social Housing Register are either Priority A (households considered 'at risk') or Priority B (households with a 'serious housing need') and are housed according to their level of priority and availability of an appropriate property. Priority A households have the highest priority.

State/Social Housing Provider Matching & Placement



Matched and placed

"There's a house for me that's the right size, in the right place."

- I sign my Tenancy Agreement with my housing provider, receive the keys and move in.

State/social housing providers use MSD's register information to find a client that matches their property.

Income-Related Rent (IRR)



Review of IRR

"I pay Income-Related Rent which may change if my situation changes."

- I will contact MSD if my situation changes.
- MSD will contact me if they have not heard from me in the last 12 months.

Tenancy Reviews



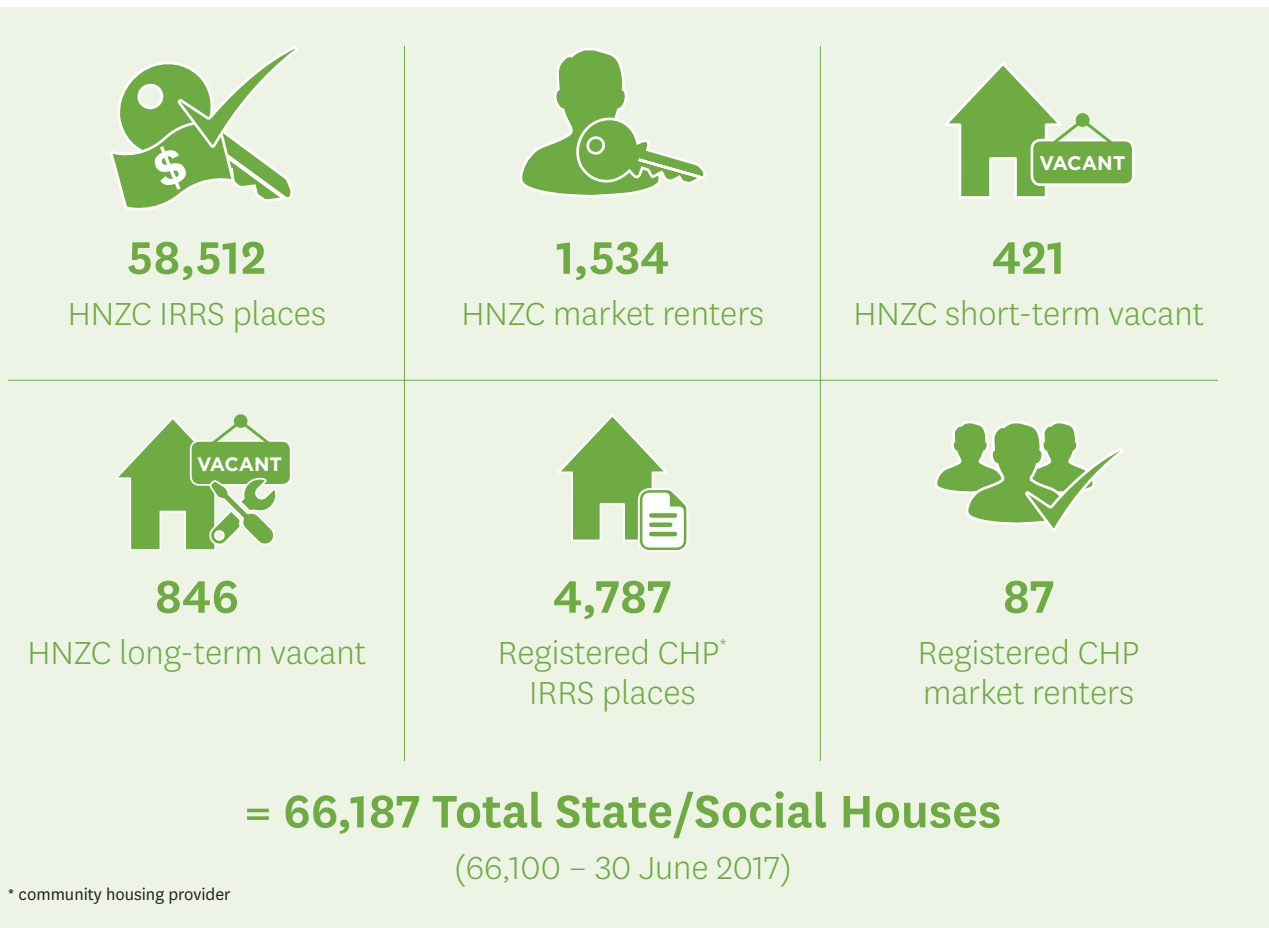
My ongoing need

"MSD has contacted me to see if my house still meets my needs and if I am eligible."

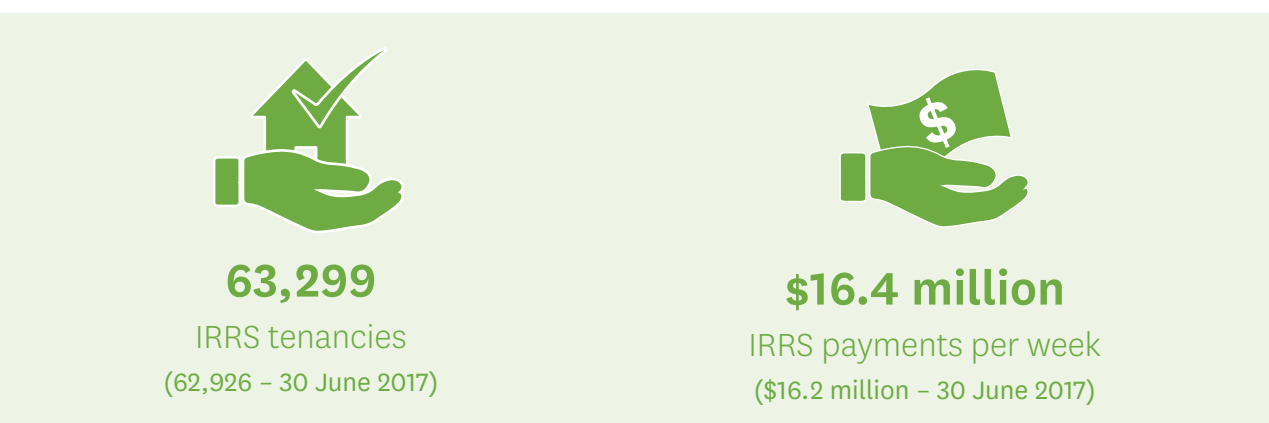
- MSD will look at my current situation and see:
 - whether or not I can move to alternative housing
 - whether my needs have changed and I need a different social house.

How many state/social houses are there?

As shown in the diagram below, at 30 September 2017 there were 66,187 state/social housing properties in total across New Zealand. HNZC owns or leases 61,313 of these properties with the remaining 4,874 owned by registered community housing providers (4,787 IRRS places and 87 market renters). MSD has a purchasing strategy in place to have 72,000 social houses by June 2020.



MSD administers the IRRS as part of its role in state/social housing. At the end of September 2017, MSD was paying IRRS for 63,299 households. In 2016/17, the total cost of IRRS was \$815 million. IRRS is not paid for all state/social housing places, because in some cases the tenant is paying market rent for the property, so no subsidy is required.



8 HNZC short-term vacant properties are between tenancies. HNZ long-term vacant properties are generally being held vacant pending redevelopment, are methamphetamine contaminated or are undergoing major repairs and upgrades.

9 This number reflects only places contracted by MSD. Registered community housing providers have a total stock of around 11,000 properties. Some tenants in these properties will be paying market rents and some will be receiving a subsidy provided directly by the community housing provider.

There are 43 registered community housing providers, 33 of which are receiving IRRS funding (as of 30 September 2017). Tāmaki Housing Association and Ōtautahi Community Housing Trust are the largest registered community housing providers, closely followed by Accessible Properties Limited and Haumarū Housing Limited Partnerships. These community housing providers are large because they have been granted, have leased or have purchased properties from local authorities (in Auckland and Christchurch) or HNZA.

To be eligible to enter into contracts with MSD and receive IRRS, community housing providers must register with the Community Housing Regulatory Authority (part of MBIE), which registers and regulates community housing providers. Registered CHPs contract with MSD through short-term spot contracts or long-term capacity contracts with options of upfront funding and/or an operating supplement in addition to rent payments.

Households applying for state/social housing

There were 5,844 primary applicants (representing households) on the Housing Register at the end of September 2017, up from 4,602 in September 2016 and 3,399 in September 2015¹⁰. Housing affordability is a significant factor behind increased demand, but other factors also have an impact. These include population growth, seasonal labour market demand affecting accommodation availability, and people's ability to access social services such as mental health services.

The main reason given for applying for state/social housing was 'current accommodation being inadequate or unsuitable', accounting for 34 percent of households, followed by homelessness (19 percent). Of those citing homelessness, the most common self-identified ethnicity was Māori (59 percent), and the most common age group was those aged 25 to 39 years (44 percent).

The most common household types on the Housing Register were single adults (47 percent) and single adults with child(ren) (35 percent). Two in five households had a Māori primary applicant, while 78 percent received Jobseeker Support, Sole Parent Support or the Supported Living Payment.

Further details on the demographic breakdown of those on the Housing Register can be found in the September 2017 Housing Quarterly Report.

What are the characteristics of those in state/social housing?

The characteristics of those in state/social housing¹¹ at a high-level are as follows:

- over half receive a main benefit from MSD, and one in five receives New Zealand Superannuation/Veteran's Pension
- one in three households has a Māori primary tenant and one in four has a Pacific primary tenant
- nearly half have been in state/social housing for four years or less, while 10 percent have lived in state/social housing for 20 years or more
- single adults make up 45 percent of households, and single adults with children make up 32 percent.

¹⁰ This does not include households already in state/social housing and on the Transfer Register (to move to another property). The Social Housing Register is comprised of the Housing Register and the Transfer Register.

¹¹ Households receiving IRRS as at 30 June 2017, which make up 93 percent of all state/social housing tenancies. The remaining seven percent pay market rent.

Emergency housing and transitional housing

Since 2016, MSD has had a significantly expanded role providing emergency and transitional housing for individuals and families in immediate and severe housing need. Non-government organisations (NGOs) and some councils continue to be important providers of emergency housing and MSD works closely with them.

Emergency Housing Special Needs Grant

The Emergency Housing Special Needs Grant is a one-off grant paid to households to meet the costs of temporary accommodation for people with an immediate housing need, for example, staying in a motel. This assistance can be granted in the first instance as non-recoverable or recoverable for up to seven days, and may be extended (as recoverable or non-recoverable assistance) depending on the circumstances of the individual or household.

In the quarter to September 2017, 2,880 individual clients received 9,159 grants at a cost of \$9.0 million. This compares to the quarter to June 2017, where 3,180 individual clients received 11,446 grants at a cost of \$12.6 million. Māori are significantly over-represented, with 56 percent of individual clients receiving an Emergency Housing Special Needs Grant being Māori¹².



9,159

Emergency Housing
Special Needs Grants
(11,446 – 30 June 2017)



2,880

Individual clients
(3,108 – 30 June 2017)



\$9.0 million

Amount granted per
quarter
(\$12.6 million – 30 June 2017)

Transitional housing places

Transitional housing (formally called contracted emergency housing) is accommodation for people who need support to secure longer-term, more permanent housing. Transitional housing places contracted by MSD are managed by specialist providers who are skilled in providing a range of social and tenancy-related support.

MSD is working with providers across New Zealand to deliver transitional housing places and associated support services for people in severe housing need. Some of these providers have a long history of involvement in the provision of emergency and transitional housing support, for example, the Salvation Army and Monte Cecilia.

Generally, people stay in transitional housing for an average of 12 weeks. While they are there they receive wrap-around social support from a contracted provider and help to secure more permanent accommodation. Once they move into longer-term housing, people will continue to receive another 12 weeks' support from the provider.

¹² Quarter to 30 June 2017.

People in transitional housing pay rent of up to 25 percent of their income, which is in line with income-related rents for state/social housing. The balance is paid to providers by MSD.

At 30 September 2017, there were 1,663 places secured for tenancing across New Zealand, including 377 provided by HNZC. MSD has a target of having 2,155 places secured for tenancing by the end of 2017.



Housing First

Housing First is an internationally-recognised approach to addressing homelessness. It provides stable housing (state/social or private) to individuals and families experiencing homelessness, before providing them with access to the support services they need to address issues underpinning their homelessness and to achieve positive long-term outcomes. More than 150 homeless people have been helped through the Auckland Housing First Initiative between March 2017 and August 2017.

In Budget 2017, \$16.45 million was committed to expanding Housing First across New Zealand. In August 2017, it was announced publicly that additional Housing First places will be provided in Auckland (100 places on top of the 472 already provided for), Christchurch (up to 100 places), Tauranga (up to 100 places), and Wellington including Lower Hutt (up to 150 places).

MSD can provide further advice on progressing your commitment to roll out Housing First as the primary response to those in the homeless population who are without shelter.

Accommodation Supplement and Temporary Additional Support for households in the private housing market

In addition to IRRS, MSD also administers two other housing subsidies – the Accommodation Supplement and Temporary Additional Support. These subsidies help with the cost of housing for those in the private rental market and some homeowners:

- **Accommodation Supplement:** renters, boarders and homeowners must have a minimum level of accommodation costs (the entry threshold) to be eligible for the Accommodation Supplement. The subsidy pays 70 percent of housing costs after the entry threshold, up to a maximum rate (which is based on family type and the area where the household lives).
- **Temporary Accommodation Supplement:** a temporary payment to meet the shortfall between income and essential living costs, up to a cap (almost all Temporary Accommodation Supplement receipt is exclusively or partially due to housing costs).

In 2016/2017, total Accommodation Supplement expenditure was approximately \$1.1 billion for around 285,000 recipients. Over 66,000 households are currently receiving Temporary Additional Support, with 2016/2017 expenditure at \$231.6 million.

You have indicated that your Families Package will retain the Accommodation Supplement changes from Budget 2017 made through Order in Council in June 2017. This involves increasing the Accommodation Supplement maximum payment rates for the first time since 2005 (for example, by between \$25 and \$75 a week for two person households and \$40 and \$80 a week for larger households).

S9(2)(f)(iv) Active consideration

Role of the Minister of Housing and Urban Development

You are responsible for state/social, emergency and transitional housing, as well as for payment of the Accommodation Supplement and Temporary Additional Support to low-moderate income households in private housing (rental or home ownership).

Because state/social housing is cross-agency in nature, you will be supported by a number of agencies, which work together to deliver joined-up advice where this is appropriate.

As part of your Housing and Urban Development portfolio you will receive:

- Advice from MSD on:
 - all aspects of state/social housing provision including policy, funding and legislative settings, purchasing of state/social housing places, the Income-Related Rent Subsidy, the Social Housing Register and the needs assessment process
 - the Accommodation Supplement and Temporary Additional Support, and the role of housing assistance in addressing poverty
 - supports for people to move into private market housing, for example payment of bond or moving costs
 - provision of emergency housing and transitional housing.
- Advice from the Treasury on:
 - the transfer of state/social housing properties from HNZC to community housing providers.
- Advice from MBIE on:
 - the regulation of state/social housing providers through the Community Housing Regulatory Authority
 - provision of new state/social housing supply as part of Crown-led building projects
 - possible options to develop Crown homeownership assistance products that are specifically designed to support state/social housing tenants to move into private housing
 - Community Group Housing (a subset of properties owned by HNZC).
- Advice from HNZC on:
 - how HNZC can contribute to delivering state, emergency, transitional and affordable housing that meets Government objectives, including through redevelopment or acquisition of land and properties
 - tenant placement and tenancy management, including sustaining tenancies and supporting HNZC tenants to move to private housing
 - home ownership assistance products funded internally by HNZC.

- Advice from Te Puni Kōkiri on:
 - state/social housing aspects of delivering better housing outcomes for Māori through a whānau centred approach, including through the Māori Housing Strategy He Whare Āhuru He Oranga Tangata and Te Ara Mauwhare¹³.
- As a shareholding Minister (with the Minister of Finance), advice from the Tāmaki Regeneration Company on the physical, social, and economic regeneration of the Tāmaki area in Auckland.

As the Minister responsible for state/social housing, you will have important relationships with ministerial portfolios across the building and infrastructure, and social sectors, as follows:

- Building and Infrastructure:
 - Minister for Building and Construction
 - Minister for Infrastructure
- Social sector:
 - Minister of Health
 - Minister of Education
 - Minister for Social Development
 - Minister for Children
 - Minister for Child Poverty Reduction
 - Minister for Pacific Peoples
 - Minister for Māori Development
 - Minister for Whānau Ora
 - Minister for Youth
 - Minister for Seniors
 - Minister for Disability Issues
 - Minister of Justice.

The Social Housing Reform Programme has been the previous government's programme to improve the effectiveness of the state/social housing system.

The previous Government introduced the Social Housing Reform Programme, a cross-government work programme aiming to build a fair, efficient and effective state/social housing system that supports people in need to build more independent lives. The Housing Corporation (Social Housing Reform) Amendment Act 2016 outlines the programme objectives. We can provide further information on work underway and would like to discuss your objectives and priorities for state/social housing.

¹³ This initiative trials ways of helping whānau move into home ownership.

Better housing for whānau

Over the next three years, there is an opportunity to ensure the needs and aspirations of whānau Māori are met more effectively.

He Whare Āhuru He Oranga Tangata (He Whare Āhuru) is the previous Government's Māori Housing Strategy, which aims to improve housing for Māori and their whānau and increase housing choices by growing the Māori housing sector.

Agencies responsible for housing have a responsibility to contribute to He Whare Āhuru by working with whānau, hapū and iwi Māori to deliver on six directions:

- ensuring the most vulnerable Māori have secure tenure and access to safe, quality housing with integrated support services
- improving the quality of housing for Māori communities
- supporting Māori and their whānau to transition to preferred housing choices
- increasing the amount of state/social housing provided by Māori organisations
- increasing housing on Māori-owned land
- increasing large-scale housing developments involving Māori organisations.

Te Puni Kōkiri has recently received funding for a new initiative, Te Ara Mauwhare. This will trial ways of helping more whānau into home ownership. At least three trials will be developed and co-designed with rūpū¹⁴ and implemented between 2017 and 2020, with a view to applying successful models more widely. These trials will include whānau who are receiving housing-related benefits and it is likely the trials will include shared equity models.

Working across the housing continuum through redevelopment and regeneration

Agencies would welcome an opportunity to discuss with you how existing Crown development and redevelopment programmes in Auckland fit with the proposed Affordable Housing Authority. There are potential benefits to having a single Crown development organisation and effort.

Tāmaki Regeneration Company

The Tāmaki Regeneration Company is a schedule 4A company under the Public Finance Act, owned 59 percent and 41 percent by the Government and Auckland Council respectively. Its role is to lead the physical, social and economic regeneration of the Tāmaki area in Auckland. In 2015, HNZC's Tāmaki assets (approximately 2,800 houses) and responsibility for the associated tenancy and property management services were transferred to Tāmaki Regeneration Company.

The physical regeneration of Tāmaki involves around 2,500 (of the 2,800) state/social houses being demolished and redeveloped into around 7,500 new houses over the course of 10 to 15 years. Of those 7,500 new houses, around 2,800 state/social houses are intended to be maintained as state/social houses, with the remainder sold as market or affordable houses. The social and economic regeneration involves providing intensive support services for tenants with complex needs.

¹⁴ This may include iwi, hapū and other Māori organisations.

Housing New Zealand Corporation

Through the Auckland Housing Programme HNZC will deliver a total of 24,334 new houses to the Auckland market over the next 10 years. Of these, 11,505 will be state/social houses, with 7,127 houses that are mostly older and no longer fit-for-purpose being demolished to make way for the new warm and dry houses.

Phase 1 of the Auckland Housing Programme (2016 to 2020) will deliver a net additional 1,700 state/social houses. The programme initially focuses on delivering a high volume of state/social housing to meet rehousing requirements. The need to rehouse tenants due to the redevelopment of occupied sites means that significant growth in state/social housing supply does not emerge until years three and four of the programme. Work is underway on the details of Phase 2.

There is an opportunity for the government to leverage HNZC's Auckland Housing Programme to achieve objectives in other areas such as trades training and apprenticeships.

S9(2)(f)(iv) Active Consideration, S9(2)(j) Current negotiations.

HNZC also has plans to deliver 389 new state/social houses in the Hutt Valley and 145 in Wellington City. Construction is underway in Wellington, with the first new homes expected in June 2018. Master planning has commenced in the Hutt Valley and the first of these homes will also be completed by mid-2018.

As a member of the cross-agency Emergency Housing Response Team, HNZC is responsible for providing a portion of the additional 1,400 emergency and transitional houses required across New Zealand. To date, 255 new places have been delivered in Auckland and 108 in selected areas across New Zealand. By the end of 2017, an anticipated 222 more houses will be delivered in Auckland and 40 in other areas. These include transitional housing that will be built on vacant Crown land in Auckland and can be moved to other sites as required.

Key decisions to the end of 2017

There are several medium- to high-priority decisions which you will need to make in relation to state/social housing through to the end of December 2017. These are shown in the table below, and agencies will provide advice on each.

| Decision | Lead agency | Likely timeframe | Priority |
|-------------------------------------|-------------|---------------------------------------|----------|
| Identify priorities for Budget 2018 | MSD | Initial advice in early November 2017 | High |
| S9(2)(f)(iv) Active Consideration | | | |
| S9(2)(f)(iv) Active Consideration | | | |
| S9(2)(f)(iv) Active Consideration | | | |
| S9(2)(f)(iv) Active Consideration | | | |
| S9(2)(f)(iv) Active Consideration | | | |
| S9(2)(f)(iv) Active Consideration | | | |

Vote Social Housing

Vote Social Housing was established to provide greater transparency, visibility and accountability of state/social housing and emergency housing. Prior to Vote Social Housing, appropriations related to state/social housing and emergency housing were split between Vote Social Development, Vote Building and Housing and Vote Finance.

Existing whole appropriations were transferred to Vote Social Housing with effect from 1 July 2017, completed at Budget 2017. The following appropriations will be transferred to Vote Social Housing, with effect from 1 July 2018:

- funding for the Emergency Housing Special Needs Grants will be transferred from Vote Social Development
- the Community Housing Regulatory Authority appropriation will be transferred from Vote Building and Housing
- the Social Housing Reform Multi-category Appropriation will be transferred from Vote Finance.

State/social housing policy advice from MSD remains within a departmental appropriation within Vote Social Development.

Legislative responsibilities in relation to state/social housing

The Prime Minister is responsible for allocating housing-related legislative responsibilities among Ministers and this is subject to change from time to time. The section below outlines responsibilities under four Acts, which have most recently been the responsibility of the Minister for Social Housing.

Housing Restructuring and Tenancy Matters Act 1992 (HRTMA)

The HRTMA is the principal legislation under which the government delivers social housing assistance. Its provisions set out the framework for delivering social housing, such as the housing needs assessment, payment of the Income-Related Rent Subsidy, and settings for HNZC and registered community housing providers.

Responsibility for implementation of the Act is split between MSD and MBIE.

As the Minister of Housing and Urban Development, we expect that you will be authorised to exercise the powers of the Minister of Housing under the HRTMA.

As the Minister responsible for state/social housing you have responsibilities that correspond to the following parts of the Act which MSD (as the social housing agency) is responsible for implementing:

- Part 6 – Information matching
- Part 7 – HNZC housing
- Part 8 – Community housing
- Part 9 – Social housing agency.

In addition, MSD (as the social housing agency) is responsible for Ministerial Directions under section 102 – Ministerial directions to agency.

Ministerial Direction on Eligibility for Social Housing and Ministerial Direction on Continued Eligibility for Social Housing

The purpose of these directions (as set out in section 102(2) of the HRTMA) are to give to the agency (MSD) the criteria by which it must assess a person's eligibility and continued eligibility for social housing.

Ministerial Direction on Tailored Agreements with Registered Community Housing Providers

The purpose of this direction (as set out in section 102(1B) of the HRTMA) are to enable flexible purchasing approaches by the agency and to promote social housing outcomes that reflect the diverse needs of tenants and the diverse range of existing social housing providers and potential providers.

These Ministerial Directions can be amended by Joint Ministers:

- the Minister of Finance
- the Minister for Social Housing exercising the powers of the Minister for Social Development and the powers of the Minister of Housing, as per the authorisations set out in the Prime Minister's delegation of Housing-related responsibilities.

MBIE is responsible for Part 10 of the Act – the Community Housing Regulatory Authority, as well as the Housing and Tenancy Matters (Community Housing Provider) Regulations 2014.

Housing Act 1955

The Act administers activities associated with the facilitation of Crown land redevelopment and land declared subject to the Act. MBIE is responsible for administering the Act.

The Minister of Housing and Urban Development has powers with regards to state housing¹⁵:

- under section 3 of the Act, the Minister of Housing can determine what land may be acquired for state housing purposes and the general scheme of development thereof, and any other matters of social housing policy.

Tax Administration Act 1994

The Act contains the rules for how tax obligations are to be satisfied. It re-enacts the administrative provisions contained in the Income Tax Act 1976 and the Inland Revenue Department Act 1974, but in a reorganised form. Inland Revenue is responsible for administering the Act.

The Minister of Housing and Urban Development has powers under section 225D:

- The Governor-General may make regulations, by Order in Council on the combined recommendation of the Minister of Revenue and the Minister of Housing, amending income and asset tests' thresholds relating to the income and assets of a person when the person becomes a beneficiary or client of a community housing trust or company.

Family Benefits (Home Ownership) Act 1986

Legislative provision was made through this Act for family benefits to be capitalised and paid in advance to assist parents to own their own homes, or make alterations to their existing homes to accommodate larger families, and to pay off or reduce existing mortgages under certain conditions. As family benefits were abolished in 1991, the Act remains in force only for the purpose of administering statutory land charges for advances made under it.

MSD is responsible for administering the Act.

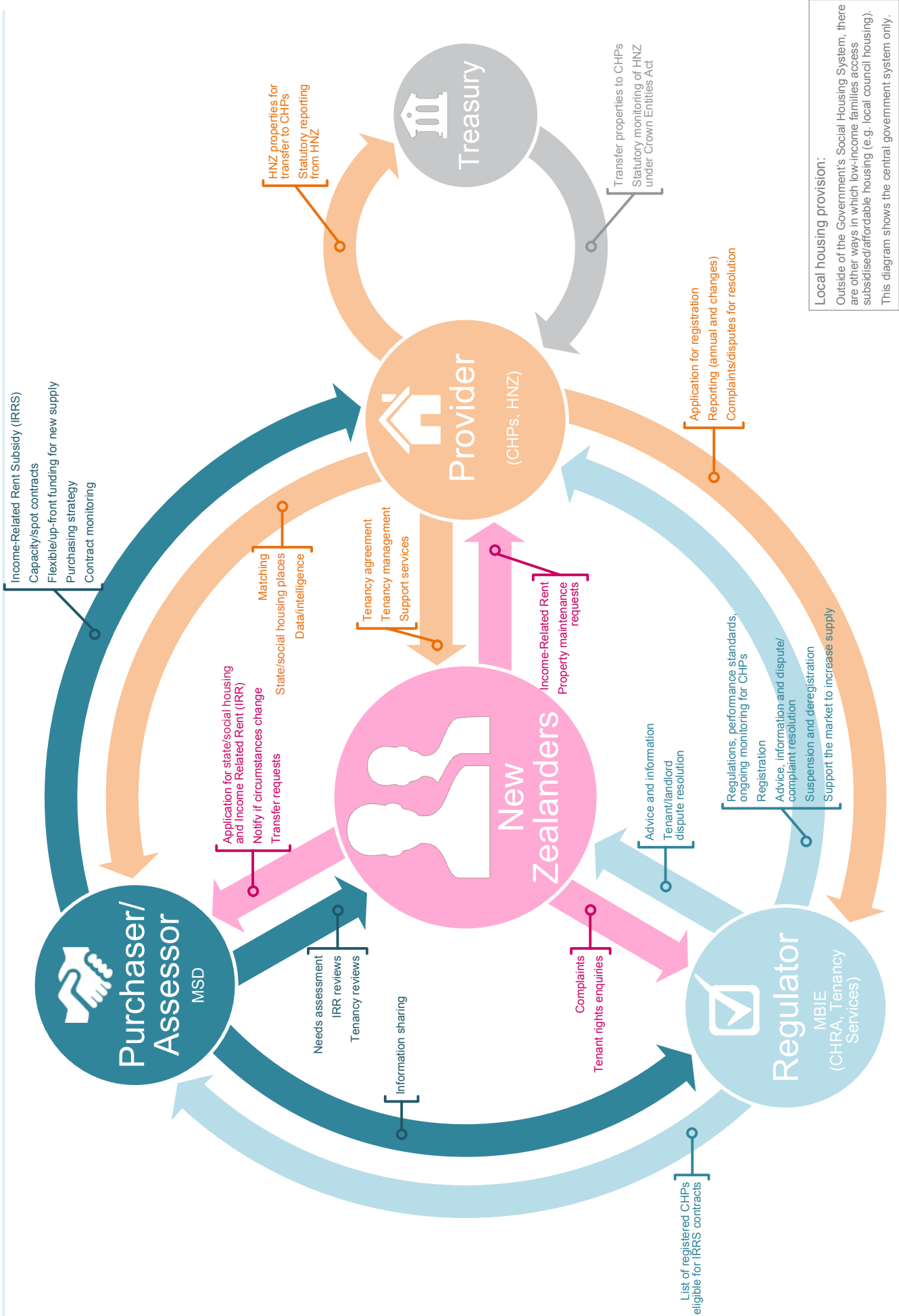
¹⁵ State housing purposes has a special definition under the Act, which is broader than the provision of social housing by HNZC.

Key agency contacts

The table below provides contact details for senior housing officials in each agency.

| Agency | Name | Role | Contact phone number and email |
|----------|-----------------------|---|-------------------------------------|
| MSD | Brendan Boyle | Chief Executive | S9(2)(a) Privacy of Natural Persons |
| | Scott Gallacher | Deputy Chief Executive, Housing | S9(2)(a) Privacy of Natural Persons |
| | Simon MacPherson | Deputy Chief Executive, Policy | S9(2)(a) Privacy of Natural Persons |
| | Nic Blakeley | Deputy Chief Executive, Insights and Investment | S9(2)(a) Privacy of Natural Persons |
| | Ruth Bound | Deputy Chief Executive, Service Delivery | S9(2)(a) Privacy of Natural Persons |
| MBIE | Chris Bunny | Deputy Chief Executive, Building and Resource Markets | S9(2)(a) Privacy of Natural Persons |
| Treasury | Jon Grayson | Deputy Secretary, Financial and Commercial | S9(2)(a) Privacy of Natural Persons |
| | Chris White | Director, Commercial Operations | S9(2)(a) Privacy of Natural Persons |
| HNZC | Adrienne Young-Cooper | Board Chair | S9(2)(a) Privacy of Natural Persons |
| | Andrew McKenzie | Chief Executive | S9(2)(a) Privacy of Natural Persons |
| | Greg Groufsky | Deputy Chief Executive | S9(2)(a) Privacy of Natural Persons |
| TPK | Di Grennell | Deputy Chief Executive, Regional Partnerships | S9(2)(a) Privacy of Natural Persons |

Appendix 1: Agency roles in the state/social housing system



Local housing provision:
Outside of the Government's Social Housing System, there are other ways in which low-income families access subsidised/affordable housing (e.g. local council housing). This diagram shows the central government system only.



New Zealand Government