

17 April 2018

Hon Jenny Salesa
Associate Minister for Housing and Urban Development
Parliament
Wellington

Dear Minister

Local government's role in social housing

We are writing to you about the vitally important social housing portfolio. Ensuring that our vulnerable and dependent citizens have access to appropriate, affordable and quality housing is a pressing issue for New Zealand and one that has increased, given the gradual decline in the state's social housing investment.

The issue is similarly important to LGNZ and our members, as the ability of councils to meet the needs of their vulnerable and dependent citizens has been severely restricted over recent years. LGNZ wishes to meet with you to look at options for removing those restrictions.

Collectively councils own more than 13,000 social housing units, with at least 25 per cent of the stock built within the last eight years. On average rents charged are set at 80 per cent of the relevant market rental for the relevant town or city. The majority of tenants are superannuants although some councils have extended their housing portfolio to include other groups with housing need, such as newly arrived migrants, refugees, people with disabilities and the homeless.

Decisions to stop providing low-interest loans to councils for providing pensioner housing in 1991 and more recently to exclude councils from applying to be community-housing providers have resulted in a steady reduction in the overall level of social housing as well as that provided by local government. Yet despite these obstacles, local government is still the second biggest social housing provider in New Zealand and many councils, in response to the housing crisis and changing demographics are expanding their social housing portfolios.

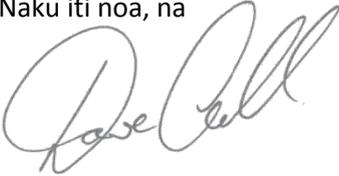
LGNZ wishes to partner with the Government to address New Zealand's housing crisis. We are already working with your colleagues and their officials on infrastructure financing, land supply and improving the regulatory environment and we would like to work with you to address New Zealand's social housing crisis.

It is very reassuring that all three of the parties that make up the Government indicated manifesto support for restoring local government's role as a provider of social housing. To achieve this a number of changes are required. Firstly, we must remove the regulatory barriers that prevent councils from applying to be community housing providers (CHP) and accessing income related rents. Secondly, we must look at the degree to which the CHP framework itself is applicable to those providers which are primarily meeting the needs of the vulnerable elderly – a cohort which will dramatically increase in size in coming years. Finally, it will be helpful to restore the four well-beings to the purpose of local government to make it clear to councils that social housing is not an *ultra vires* activity. We understand that this last measure is already under consideration.

Creating an equitable and inclusive policy and regulatory environment for community housing providers will enable councils to play a more proactive role in meeting the social housing need in their communities and meet the Government's objectives to reduce homelessness and improve the quality and supply of social housing.

I look forward to meeting with you as soon as convenient to discuss these matters in more detail and look at options for building a "social housing partnership".

Nāku iti noa, nā

A handwritten signature in black ink, appearing to read 'Dave Cull', written in a cursive style.

Mayor Dave Cull
President
Local Government New Zealand

CC: Hon Phil Twyford, Minister for Housing and Urban Development
Hon Nanaia Mahuta, Minister of Local Government