

The Treasury

Social Housing Reform Programme Information Release

Release Document

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<http://www.socialhousing.govt.nz>

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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- [3] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.
- [4] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [5] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [6] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [7] 9(2)(h) - to maintain legal professional privilege
- [8] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
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- [11] Not relevant

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



s 9(2)(a)

From: s 9(2)(a), Treasury official
Sent: Thursday, 7 July 2016 4:26 p.m.
To: s 9(2)(a), Two of Hon Bennett's staff
Cc: s 9(2)(a) @treasury.govt.nz; s 9(2)(a), Two HNZ staff and one MSD staff
s 9(2)(a) [TSY]; s 9(2)(a) @hnzc.co.nz; s 9(2)(a), One MSD official
Subject: Short Term Housing Project - Announcement material (July 2016).DOCX
Attachments: 3549420_Short Term Housing Project - Announcement material (July 2016).DOCX
Importance: High
Categories: Filing

Kia ora s 9(2)(a), Two of Hon Bennett's staff

Per the earlier emails, please see attached for the comms material we have prepared to assist with potential announcements on modular.

If you have any follow up questions – please let me know.

Warm regards

s 9(2)(a)

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Short Term Housing Project

Background material to support potential Ministerial Announcements (11 July 2016)

Context

Ministers Offices have asked for material to support a potential modular/prefab housing announcement on 11 July. This is after the 'Securing the Supply of Housing for Vulnerable People in Auckland' is considered by Cabinet.

In particular Ministers Offices have asked for:

1. Advice on what we recommend the Minister say/not say
2. Timeline for the project (backwards and forwards looking)
3. Information on the proposed units (configuration and what the units might look like)

There are two other pieces of advice that the Minister has asked for – which are not covered in this note due to timing issues, these are:

s 9(2)(f)(iv) Active consideration

1. Advice on what we recommend the Minister say/not say

We have developed some communications messages – these are pasted below:

Modular Housing Proposal – Key Messages

s 9(2)(f)(iv), s 9(2)(ba)(ii) Commercially sensitive

- One of the options the Government is considering to increase social housing in Auckland is the idea of temporary social housing developments [redacted] potentially using modular or prebuilt housing.
- Officials began investigating the use of land temporarily for social housing in in July 2015.
- Officials have identified land, owned by the Crown, where there is a long term development plan but the land is available for interim use. This includes land held for public purposes like transport or education purposes for example.
- Officials have identified three possible sites in Auckland that could provide up to 143 units by the end of 2017, with the first available in April next year.
- The number of houses available and timeframe will depend on a range of factors including decisions about the Proposed Unitary Plan, detailed site feasibility and the capacity of the modular sector.
- This idea is just one of the suite of proposals the Government is considering to address the supply of social housing in Auckland.
- More information on whether the developments will proceed and the location for developments is expected towards the end of the year. This is partly because the feasibility of this project will depend on the outcome of Auckland's Proposed Unitary Plan.
- HNZC is intending to issue a Registration of Interest (ROI) for modular providers on 13 July. This process will likely be run using the Government Electronic Tender System (GETS) and providers of modular housing may wish to consider registering with GETS to be notified of any such procurement processes.

- Officials are exploring a range of operating models for the site, including whether Housing New Zealand or other Community Housing Providers might operate developments.
- This work is being led by Housing New Zealand with support from Treasury, the Ministry of Social Development and other agencies as appropriate.

Modular Housing Proposal – Backpocket Questions and Answers. For reactive use only – not for proactive release

What is the status of advice on pop up houses?

Officials are actively investigating options for short-term housing developments – this includes identifying sites and considering consenting requirements. Officials will keep me advised on an ongoing basis. Further announcements on whether this option will be progressed will depend on the outcome of the Proposed Unitary Plan and I expect to provide a further update towards the end of the year.

Are these houses cheaper?

One of the stated benefits of modular housing is the time saving during construction (for example holding costs) and the reasonable cost of modular construction.

Officials expect modular housing will have lower whole of life costs than traditional procurement due to the units being removed at the end of the development. However, HNZC will test the market to see if these assertions are correct.

What are you talking about when it comes to modular?

We take a broad definition of modular. We are interested in any build method with a significant proportion of off-site production (including modular, prefabricated, transportable and panelised solutions).

Who would go into the developments?

s 9(2)(f)(iv) The developments could be used to house people in need of emergency housing, existing tenants while their properties are being redeveloped or to house tenants on the social housing register. Officials will provide an update shortly.

Who is leading the advice?

This work is being led by Housing New Zealand with support from Treasury, the Ministry of Social Development and other agencies as appropriate.

Where is the land that officials are contemplating for pop-up homes?

Officials have focussed their investigation on land in Auckland, in areas of high demand for social housing and in close proximity to transport networks. Within these broad areas, officials have identified land, owned by the Crown, where there is a long term development plan but the land is available for interim use. This includes land held for public purposes like transport or education purposes for example.

The first three sites will test the concept of temporary social housing developments. To preserve potential commercial negotiations to access the land, I am not in a position to disclose the location of concept sites.

In addition, officials are assessing a range of other potential sites so that if the concept sites are successful, this programme can be used on other sites.

Shouldn't the Government focus on building more permanent houses?

Yes, and we are building many more permanent homes. However, we're committed to a comprehensive response across a range of accommodation options. Our experience in Christchurch was that temporary housing

developments effectively meet housing need whilst new supply comes on stream, and we believe this is an option worth exploring.

How long will the temporary houses be in place? (ie – how long is “temporary”)?

Then length of developments will depend on a number of factors including the location of the land, the projected demand for social housing and negotiations with landowners.

Will the houses be of an acceptable standard from a build perspective?

Yes, the Government is committed to ensuring that any social housing units developed as part of a potential short-term housing development are of an acceptable standard.

I am a provider of modular housing – how do I get involved?

HNZC is intending to issue a Registration of Interest (ROI) for modular providers on 13 July. This process will likely be run using the Government Electronic Tender System (GETS) and you may wish to consider registering with GETS to be notified of any such procurement processes.

Could offshore participants be involved in the procurement process?

The ROI will be an open process and will specify requirements for modular providers to consider.

When will the procurement of housing occur?

I am not in a position to confirm timelines, but I would encourage anyone interested in the provision of modular housing to get registered with GETS.

s 9(2)(f)(iv), s 9(2)(ba)(ii) Commercially sensitive

Backpocket Q and A – not for public use

s 9(2)(f)(iv), s 9(2)(ba)(ii) Commercially sensitive, s 9(2)(h) OIA Legal professional privilege, s 9(2)(g)(i) Free and frank advice

s 9(2)(ba)(ii) Commercially sensitive, s 9(2)(f)(iv), s 9(2)(g)(i) Free and frank advice

2. Timeline for the project –

Step	Date/s	Description
1	July 2015	The Short Term Housing project started. Officials started identifying sites with Auckland Council. s 9(2)(f)(iv), s 9(2)(ba)(ii) Commercially sensitive
2	August 2015	Officials started engaging with s 9(2)(ba)(ii) Commercially sensitive s 9(2)(f)(iv)
3	October 2015	CBRE were commissioned to investigate the feasibility of s 9(2)(ba)(ii) Commercially sensitive s 9(2)(ba)(ii) Commercially sensitive, s 9(2)(f)(iv)
4	December 2015	
5	April 2016	
6	June/July 2016	
7	8 July 2016	Treasury to update Ministers offices on engagement with s 9(2)(ba)(ii) Commercially sensitive, s 9(2)(f)(iv) In particular whether there is available land and if there is whether the land might be suitable for 10-25 year developments or for more immediate developments (work stream 2 being led by HNZC).
8	13 July 2016	HNZC targeting the issuance of a Registration of Interest (ROI) on GETS to establish a panel of modular providers. The ROI

s 9(2)(ba)(ii) Commercially sensitive, s 9(2)(f)(iv)

Configuration – s 9(2)(ba)(ii) Commercially sensitive, s 9(2)(f)(iv)

At this time HNZC propose units. However, the final configuration will depend on the outcome of the ROI for modular builders (including their capacity for multi-storey modular) and the resource consent

requirements for the site.

Pictures-

We have not been able to provide you with any pictures at this time – doing so could compromise HNZC’s procurement process (i.e. you talk publicly about particular providers and other providers consider that this has influenced the HNZC procurement process and in particular their prospects of being on the panel).

We have provided a link to the peak body – Prefab NZ – which interested parties can use to identify modular or prefab providers.

If you do decide to use pictures we recommend you be very clear that these are illustrative only and in no way reflect your perspective about who might be successful or not in HNZC’s procurement process.