

Reference: 20220279

19 August 2022



Dear 

Thank you for your Official Information Act (OIA) request, received on 22 July 2022. You requested the following:

*Any advice that Treasury has provided to ministers and/or HUD and/or MBIE relating to the regulation of the property management industry since 19 October 2020.*

### Information being released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1.	26 July 2021	Email: RIA Team Response- Regulation of Property Managers	Released in full
2.	23 September 2021	Email: Regulatory regime for property managers	Released in part
3.	19 November 2021	Email: SWC 24 Nov Commissioning	Released in part

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the OIA, as applicable:

- names and contact details of officials, under section 9(2)(g)(ii) – to maintain the effective conduct of public affairs through protecting Ministers, members of government organisations, officers and employees from improper pressure or harassment,
- advice still under consideration, section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials,
- certain sensitive advice, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions, and

1 The Terrace  
PO Box 3724  
Wellington 6140  
New Zealand  
tel. +64-4-472-2733

<https://treasury.govt.nz>

- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

Direct dial phone numbers of officials have been redacted under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury's website.

In making my decision, I have considered the public interest considerations in section 9(1) of the OIA.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Glen Thomson', written over a light blue horizontal line.

Glen Thomson  
**Acting Manager, Housing and Urban Growth**

[TSY]

---

**From:** Grant Tweddle <Grant.Tweddle@hud.govt.nz>  
**Sent:** Monday, 26 July 2021 9:00 AM  
**To:** Faline Zhao [TSY]  
**Cc:** Claire Leadbetter; Elzeth Grant Fargie; Julia Caulfield; cipa@mfe.govt.nz; RIA Team [TSY]; Alex Smith [TSY]; Olivia Maxwell [TSY]  
**Subject:** RE: RIA Team Response - Regulation of Property Managers  
**Categories:** Faline

Morena Faline,

Thanks for your prompt response. We will ensure our discussion paper contains the key features of a RIS, including the Stage 1 Cost recovery elements, and is verified by a RIA panel at the Ministry before seeking Cabinet approval for its release.

We'll get in touch with you again to reconfirm arrangements for the Regulatory Impact Statement that will accompany the Cabinet paper seeking final decisions on the proposed legislation.

Ngā mihi,

Grant

---

**From:** Faline Zhao [TSY] <Faline.Zhao@treasury.govt.nz>  
**Sent:** Friday, 23 July 2021 4:25 pm  
**To:** Grant Tweddle <Grant.Tweddle@hud.govt.nz>  
**Cc:** Claire Leadbetter <Claire.Leadbetter@hud.govt.nz>; Elzeth Grant Fargie <Elzeth.GrantFargie@hud.govt.nz>; Julia Caulfield <Julia.Caulfield@hud.govt.nz>; cipa@mfe.govt.nz; RIA Team [TSY] <RIA.Team@treasury.govt.nz>; Alex Smith - Treasury <Alex.Smith@treasury.govt.nz>; Olivia Maxwell [TSY] <Olivia.Maxwell@treasury.govt.nz>  
**Subject:** RIA Team Response - Regulation of Property Managers

Kia ora Grant,

Thank you for submitting the Process Confirmation form relating to the release of a discussion document on the proposed regulation of property managers. Our phone conversation yesterday was also helpful to determine RIA requirements.

Based on the information provided, the RIA team at the Treasury considers that the discussion document can substitute for an interim Regulatory Impact Statement on the condition that it contains the key features of a RIS. It should include a clear problem definition and objectives, address all feasible options, and contain interim analysis of those options consistent with the [effective consultation expectations](#). As you have noted that there are cost recovery elements involved in the establishment of a new regulatory system for the residential property management sector, elements of the [Stage 1 CRIS template](#) should also be embedded within the discussion document.

The discussion document needs to be verified by the RIA panel at the Ministry of Housing and Urban Development. I further confirm that the standard RIS template can be modified to incorporate key elements of the Stage 1 Cost Recovery template, and a separate RIS does not need to be produced provided that the RIA panel considers that the discussion document meets effective consultation expectations.

### **Wording to insert in the Impact Analysis Section of the Cabinet Paper**

The Regulatory Impact Analysis panel at [agency] has reviewed and confirmed that the discussion document can substitute for an interim Regulatory Impact Statement. It will lead to effective consultation and support the eventual development of a quality Regulatory Impact Statement. [optional RIA panel comment on the quality of the discussion document]

Please note that you will need to reconfirm the impact analysis process for this proposal with us before submitting the final Regulatory Impact Statement with the Cabinet paper seeking final decisions. We would be happy to have further discussions and confirm the process when you are in the position to commence with preparing the RIS.

Ngā mihi,

Faline



**Faline Zhao (she/her) | Graduate Analyst – Regulatory Strategy | Te Tai Ōhanga – The Treasury**

Tel: +s9(2)(k) | Email/IM: [faline.zhao@treasury.govt.nz](mailto:faline.zhao@treasury.govt.nz)

Visit us online at <https://treasury.govt.nz/> and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#)

---

**From:** Grant Tweddle <[Grant.Tweddle@hud.govt.nz](mailto:Grant.Tweddle@hud.govt.nz)>

**Sent:** Friday, 23 July 2021 3:44 pm

**To:** RIA Team [TSY] <[RIA.Team@treasury.govt.nz](mailto:RIA.Team@treasury.govt.nz)>; [cipa@mfe.govt.nz](mailto:cipa@mfe.govt.nz)

**Cc:** Claire Leadbetter <[Claire.Leadbetter@hud.govt.nz](mailto:Claire.Leadbetter@hud.govt.nz)>; Elzeth Grant Fargie <[Elzeth.GrantFargie@hud.govt.nz](mailto:Elzeth.GrantFargie@hud.govt.nz)>; Julia Caulfield <[Julia.Caulfield@hud.govt.nz](mailto:Julia.Caulfield@hud.govt.nz)>

**Subject:** IA Process Confirmation & CIPA Early Engagement Forms

Hi there,

I would be grateful if you could consider and respond to the attached Impact Analysis Process Confirmation and Climate Implications of Policy Assessment Early Engagement returns relating to the proposed regulation of property managers.

To support the development of our regulatory impact assessment process, it would be helpful if the RIA team could confirm that:

- Provided we develop our discussion paper in a manner that incorporates core regulatory impact assessment requirements, we do not need to complete a separate regulatory impact assessment template when seeking Cabinet approval to progress the public consultation process;
- We can modify the standard RIA template to incorporate the key elements of the Cost Recovery (Stage 1) RIA template; and,
- We should draw on our internal QA team to support the development of our impact assessment process and review our final RIA.

If you require any further information on our approach, please get in touch.

Kind regards,

Grant

**Grant Tweddle** (he/his)

Senior Policy Advisor | Tenures and Housing Quality

Place-based Policy & Programmes



**Te Tūāpapa Kura Kāinga**  
Ministry of Housing and Urban Development



He kāinga ora, he hapori ora - our purpose is thriving communities where everyone has a place to call home.

## Disclaimer

This email is confidential and solely for the use of the intended recipient. If you have received this email in error, then any use is strictly prohibited. Please notify us immediately and delete all copies of this email and any attachments. Any opinions expressed in this message are not necessarily those of the Ministry of Housing and Urban Development.

---

## CONFIDENTIALITY NOTICE

The information in this email is confidential to the Treasury, intended only for the addressee(s), and may also be legally privileged. If you are not an intended addressee:

- a. please immediately delete this email and notify the Treasury by return email or telephone (64 4 472 2733);
- b. any use, dissemination or copying of this email is strictly prohibited and may be unlawful.

## Disclaimer

This email is confidential and solely for the use of the intended recipient. If you have received this email in error, then any use is strictly prohibited. Please notify us immediately and delete all copies of this email and any attachments. Any opinions expressed in this message are not necessarily those of the Ministry of Housing and Urban Development.

[TSY]

---

**Subject:** FW: Regulatory regime for property managers

Highlighted below

**Kate McDonald** (she/her) | **Analyst, Housing and Urban Growth | Te Tai Ōhanga – The Treasury**

Email: [kate.mcdonald@treasury.govt.nz](mailto:kate.mcdonald@treasury.govt.nz)

Visit us online at <https://treasury.govt.nz/> and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#)

---

**From:** Olivia Maxwell [TSY] <Olivia.Maxwell@treasury.govt.nz>

**Sent:** Thursday, 23 September 2021 7:56 am

**To:** Elzeth Grant Fargie <Elzeth.GrantFargie@hud.govt.nz>

**Cc:** Grant Tweddle <Grant.Tweddle@hud.govt.nz>; Julia Caulfield <Julia.Caulfield@hud.govt.nz>; Claire Leadbetter <Claire.Leadbetter@hud.govt.nz>; John Beaglehole [TSY] <John.Beaglehole@treasury.govt.nz>

**Subject:** RE: Regulatory regime for property managers

Kia ora Elzeth,

Thanks for sending these through for us to take a look at, and for your comments/clarification on my initial questions.

s9(2)(f)(iv)

s9(2)(g)(i)

On the cost recovery paper, I'm comfortable with your proposed approach – it sounds sensible, and in line with usual cost recovery principles. I'd be interested to understand more about what the likely total increased cost to property managers would be here (e.g. on an annual basis), and if / how much of this you expect to be passed on to tenants. Do you have any numbers/modelling to that effect?

Thanks again for keeping us in the loop on this – much appreciated.

Ngā mihi,  
Olivia

**Olivia Maxwell** (she/her) | **Kaitātari Paetahi - Graduate Analyst, Housing and Urban Growth | Te Tai Ōhanga – The Treasury**

Email: [olivia.maxwell@treasury.govt.nz](mailto:olivia.maxwell@treasury.govt.nz) Phone: s9(2)(g)(ii)

Visit us online at <https://treasury.govt.nz/> and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#)

---

**From:** Elzeth Grant Fargie <[Elzeth.GrantFargie@hud.govt.nz](mailto:Elzeth.GrantFargie@hud.govt.nz)>

**Sent:** Thursday, 16 September 2021 5:47 pm

**To:** Olivia Maxwell [TSY] <[Olivia.Maxwell@treasury.govt.nz](mailto:Olivia.Maxwell@treasury.govt.nz)>

**Cc:** John Beaglehole [TSY] <[John.Beaglehole@treasury.govt.nz](mailto:John.Beaglehole@treasury.govt.nz)>; Grant Tweddle <[Grant.Tweddle@hud.govt.nz](mailto:Grant.Tweddle@hud.govt.nz)>; Julia Caulfield <[Julia.Caulfield@hud.govt.nz](mailto:Julia.Caulfield@hud.govt.nz)>; Claire Leadbetter <[Claire.Leadbetter@hud.govt.nz](mailto:Claire.Leadbetter@hud.govt.nz)>

**Subject:** RE: Regulatory regime for property managers

Hi Olivia

Thanks for your comments below. I trust you received my recent email with the final version of the paper.

Subsequently, we provided a follow up paper to the Minister that addressed some of the questions you raised below s9(2)(f)(iv) I have attached this paper for your information.

I have also added additional comment to your questions below in yellow.

We have now started on the substantial policy work which will inform the content of the discussion document planned to be released for public feedback later this year.

We are sharing with agencies policy documents setting out our thinking on different areas as we finish them. We aim to have a discussion document ready by the end of September so this approach will give agencies more time to consider different sections while we progress other parts of the document. We have completed the section on **cost recovery** and would be interested in your views. We would greatly appreciate any feedback you may have by COP 22 September.

We should be able to share our thinking on **entry requirements** with you in the next couple of days.

Happy to discuss if you have any questions.

Kind regards  
Elzeth

**Elzeth Grant-Fargie** (she/her)

Senior Policy Advisor | Tenures and Housing Quality

Housing and Urban Settings Group

[Elzeth.Grantfargie@hud.govt.nz](mailto:Elzeth.Grantfargie@hud.govt.nz) | Phone: +s9(2)(k)

[www.hud.govt.nz](http://www.hud.govt.nz) | Post House, 7 Waterloo Quay, Wellington



He kāinga ora, he hāpori ora - our purpose is thriving communities where everyone has a place to call home.

Please note I work every day but shorter hours on Wednesday and Friday 9.30am – 2.30pm

---

**From:** Olivia Maxwell [TSY] <[Olivia.Maxwell@treasury.govt.nz](mailto:Olivia.Maxwell@treasury.govt.nz)>  
**Sent:** Wednesday, 18 August 2021 5:47 pm  
**To:** Elzeth Grant Fargie <[Elzeth.GrantFargie@hud.govt.nz](mailto:Elzeth.GrantFargie@hud.govt.nz)>  
**Cc:** John Beaglehole - Treasury <[John.Beaglehole@treasury.govt.nz](mailto:John.Beaglehole@treasury.govt.nz)>  
**Subject:** RE: Regulatory regime for property managers

Kia ora Elzeth,

Hope you're doing well at home.

Thank you for the opportunity to comment on this work. The presentation was a really useful overview of the context and what's planned. Definitely keen to engage further as you work towards formalising options, but at this stage just a couple of high level comments and questions from me, primarily in relation your 'key policy questions' slide (11):

- **What is the problem? / Is there sufficient 'harm' to justify government intervention?** The table on page five of the briefing was useful in terms of capturing the kinds of problem you're seeking to address – it might be useful to touch on this more in the slides to set the scene for what the problem is that this workstream is looking to address. It would also be really valuable to understand what the scale of these problems is / how often these behaviours are actually occurring in practice (particularly with a view to answering the 'is there sufficient harm to justify an intervention?' question). I appreciate that this is a fairly qualitative area, but I wondered whether there was any data you might be able to include to give a sense of the size of the issue in question, beyond just acknowledging that 'a wide range of stakeholders have highlighted the significant risk'. [We are continuing to explore options to give us a sense of the scale of the problem. Given property managers are currently not regulated it is difficult to find this type of information.]

s9(2)(f)(iv)



- **How should regulated parties be held to account?** Thinking of the extent to which existing behaviours by some property managers and landlords already don't comply with, say, RTA regulations, this particular question feels fairly crucial. What will be different about these new regulations that will encourage compliance from property managers where existing regulations have failed to do the same? [The intention of the proposed regime for property managers is to regulate those persons who are offering property management services. This regime is intended to complement the requirements in the Residential Tenancies Act. s9(2)(g)(i)]

s9(2)(g)(i)



- **Implementation Risks:** On costs, is increased regulation expected to increase the cost of hiring property managers. If so, what flow-on impacts might this have for rents? Alternatively, is there a risk that increased costs might incentivise more landlords to manage their own properties, thereby exempting them from these standards anyway? [This is something that we are very mindful of and will cover off in the discussion document and the subsequent RIS.]

I apologise for the slightly scattershot list of questions and comments at this time of day! More than happy to discuss over the phone tomorrow if that would be helpful.

Thanks again for looping us in - looking forward to seeing where this gets to!

Take care,  
Olivia

**Olivia Maxwell (she/her) | Kaitātari Paetahi - Graduate Analyst, Housing and Urban Growth | Te Tai Ōhanga – The Treasury**

Email: [olivia.maxwell@treasury.govt.nz](mailto:olivia.maxwell@treasury.govt.nz) Phone: s9(2)(g)(ii)

Visit us online at <https://treasury.govt.nz/> and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#)

---

**From:** Elzeth Grant Fargie <[Elzeth.GrantFargie@hud.govt.nz](mailto:Elzeth.GrantFargie@hud.govt.nz)>

**Sent:** Monday, 16 August 2021 9:29 pm

**To:** Olivia Maxwell [TSY] <[Olivia.Maxwell@treasury.govt.nz](mailto:Olivia.Maxwell@treasury.govt.nz)>; Arati Waldegrave [DPMC] <[Arati.Waldegrave@dpmc.govt.nz](mailto:Arati.Waldegrave@dpmc.govt.nz)>; Alexandra Jackson <[alexandra.jackson@mbie.govt.nz](mailto:alexandra.jackson@mbie.govt.nz)>; Duncan Connor <[Duncan.Connor@mbie.govt.nz](mailto:Duncan.Connor@mbie.govt.nz)>; Hannah Stanfield - Kaingaora <[hannah.stanfield@kaingaora.govt.nz](mailto:hannah.stanfield@kaingaora.govt.nz)>; David Brosnan <[David.Brosnan@kaingaora.govt.nz](mailto:David.Brosnan@kaingaora.govt.nz)>; Henderson, Jessie <[Jessie.Henderson@justice.govt.nz](mailto:Jessie.Henderson@justice.govt.nz)>; Mitchell, Matthew <[Matthew.Mitchell@justice.govt.nz](mailto:Matthew.Mitchell@justice.govt.nz)>

**Cc:** Claire Leadbetter <[Claire.Leadbetter@hud.govt.nz](mailto:Claire.Leadbetter@hud.govt.nz)>; Grant Tweddle <[Grant.Tweddle@hud.govt.nz](mailto:Grant.Tweddle@hud.govt.nz)>; Julia Caulfield <[Julia.Caulfield@hud.govt.nz](mailto:Julia.Caulfield@hud.govt.nz)>; Elena Walter <[Elena.Walter@hud.govt.nz](mailto:Elena.Walter@hud.govt.nz)>; Sam Anderson <[Sam.Anderson@hud.govt.nz](mailto:Sam.Anderson@hud.govt.nz)>

**Subject:** Regulatory regime for property managers

Hi All,

HUD is currently progressing policy work on the occupational regulation for property managers, as per the Government's commitment in 2020. We would like to engage with your organisation on this work going forward. Attached for your consideration is a presentation that provides some context to this work, an overview of our approach and some illustrative regulatory model options that will be further refined for inclusion in a proposed public consultation paper.

We will be providing some initial advice to Minister Williams later this week on our approach, including thinking on key regulatory system features, emerging options and implementation timeframes. We welcome any feedback you may have on either the presentation or the attached draft briefing to the Minister. We would be grateful if you could provide any feedback you may have by COP Wednesday 18 August.

If you are not the appropriate point of contact in your organisation, I'd be grateful you could let me know who we should be engaging with and pass this email on to them.

Many thanks  
Elzeth

**Elzeth Grant-Fargie (she/her)**

Senior Policy Advisor | Tenures and Housing Quality  
Housing and Urban Settings Group

[Elzeth.Grantfargie@hud.govt.nz](mailto:Elzeth.Grantfargie@hud.govt.nz) | Phone: +s9(2)(k)

[www.hud.govt.nz](http://www.hud.govt.nz) | Post House, 7 Waterloo Quay, Wellington



He kāinga ora, he hāpori ora - our purpose is thriving communities where everyone has a place to call home.

Please note I work every day but shorter hours on Wednesday and Friday 9.30am – 2.30pm

**Disclaimer**

This email is confidential and solely for the use of the intended recipient. If you have received this email in error, then any use is strictly prohibited. Please notify us immediately and delete all copies of this email and any attachments. Any opinions expressed in this message are not necessarily those of the Ministry of Housing and Urban Development.

---

**CONFIDENTIALITY NOTICE**

The information in this email is confidential to the Treasury, intended only for the addressee(s), and may also be legally privileged. If you are not an intended addressee:

- a. please immediately delete this email and notify the Treasury by return email or telephone (64 4 472 2733);
- b. any use, dissemination or copying of this email is strictly prohibited and may be unlawful.

**Disclaimer**

This email is confidential and solely for the use of the intended recipient. If you have received this email in error, then any use is strictly prohibited. Please notify us immediately and delete all copies of this email and any attachments. Any opinions expressed in this message are not necessarily those of the Ministry of Housing and Urban Development.

[TSY]

**From:** Olivia Maxwell [TSY]  
**Sent:** Friday, 19 November 2021 10:50 AM  
**To:** Gabriel Simpson [TSY]; Erica Lee [TSY]  
**Cc:** Alex Smith [TSY]; Geraldine Treacher [TSY]; Bastiaan van der Scheer [TSY]  
**Subject:** RE: SWC 24 Nov Commissioning - DUE 11am 19 Nov

Kia ora Erica,

Below is our briefing for *Regulating residential property managers: approval to release discussion paper*.

Any questions or concerns, let me know.

Thanks!  
Olivia

**Olivia Maxwell (she/her) | Kaitātari Paetahi - Graduate Analyst, Housing and Urban Growth | Te Tai Ōhanga – The Treasury**

Email: [olivia.maxwell@treasury.govt.nz](mailto:olivia.maxwell@treasury.govt.nz) Phone: s9(2)(g)(ii)

Visit us online at <https://treasury.govt.nz/> and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#)

### **Regulating residential property managers: approval to release discussion paper**

Hon Poto Williams, Associate Minister of Housing (Public Housing)

Treasury contact: Olivia Maxwell s9(2)(g)(ii)

Sign out contact: Bastiaan van der Scheer s9(2)(g)(ii)

**Description:** This paper seeks agreement to release a discussion paper, *Residential Property Management Regulatory Options*, for public consultation. The discussion paper seeks feedback on a proposed regulatory system for professional residential property managers, which would set requirements for registration and licensing, professional entry standards, industry practice standards, a complaints and disciplinary framework, and offences and penalties.

**Comments:** We support a comprehensive regulatory system for residential property managers, and have no concerns with the release of the discussion document itself.

The paper notes private landlords may be responsible for managing up to 58% of residential rental properties. It also proposes to exclude private landlords from the new regulatory framework on the basis that they are adequately regulated through the Residential Tenancies Act 1986 (RTA). We understand the need to avoid duplication with existing legislation and the logic, for practical reasons, behind dealing with private landlords and property managers separately. Thought will need to be given to ensuring that the use of parallel systems does not create a two-tier system in terms of protections for tenants.

We also consider there are issues of RTA compliance by private landlords, and believe that this paper could highlight the need to assess whether that system is adequate to secure desired tenant outcomes. There may be a risk that similar enforceability issues occur with the proposed regulatory framework for property managers, if the complaints/disciplinary approach largely relies on tenants self-reporting (similar to the RTA). This should form part of further policy work following public consultation.

**Treasury Recommendation:** Support. We recommend you discuss the issues above with your Ministerial colleagues before final decisions are taken in September 2022.

**Fiscal Implications:** There are no direct fiscal implications for this paper. However, the discussion paper includes proposals which have financial implications; these will be subject to a separate Budget initiative once final policy decisions have been made.

out of scope

