

ACTION KEY TRUST FOUNDATION – AKTF

09.02.2012

AKTF - PURPOSE STATEMENT;

- To educate individuals and families that, ‘charity starts in the home’, as it relates to **Financial Literacy and Home-ownership**; and
- For the relief of poverty, **through our Giving and Volunteering** of Charities or non charitable organizations; and
- To promote and to assist in **New Zealand Cultural Life**, to advance and foster community and business relationships through business partnering/branding; and
- That all the above charitable activities shall be for **Sufficient Public Benefit** and cultural diversity.

The Board of Trustees for Action Key Trust Foundation (AKTF) is responsible for the governance of the trust as a charity, donee and non government organization (NGO) and is re-registering with the Charities Commission (previous registration CC39867). AKTF programs and projects are the obligation of the Trustees in maintaining **Professional Public Practice** on behalf of its members and the New Zealand public.

The Foundation is an independent philanthropic organization working in a specific area of Financial Literacy and Homeownership. As a NGO, the Foundation attracts tax deductible donations to its Public Fund and builds a capital base known as its corpus – a fund/sum of money invested in perpetuity. This provides a permanent and growing source of funding with income earned each year being returned to the community through annual financial literacy and **housing grants, shared equity and lease back housing options** to deductible gifts recipients or other tax deductible entities.

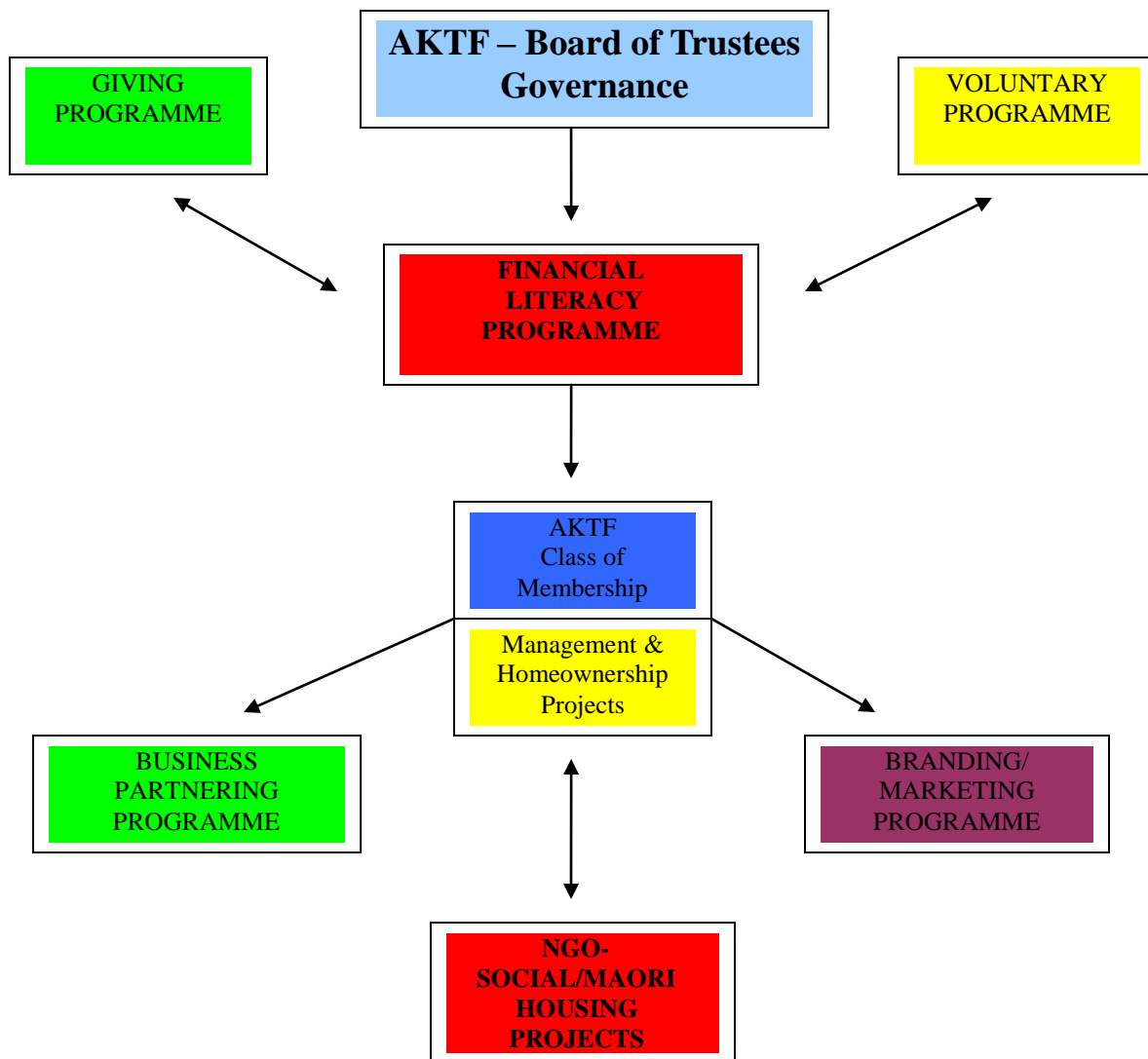
In addition to this, the Foundation as a charitable trust can support wider charitable purposes and as a donee organization that monitors the progress of members and /or contributors through **our Key Implementation Support Service** that aids or supports charitable cause, business partnership and/or enterprises.

AKTF's has three **Social Investment programs**; Giving, Volunteering, Business Partnering/Branding Programs and its Social Marketing Program that promotes its Sponsorship, Donor, Voluntary, Partnering and Commercial relationships to the wider community and government.

AKTF's Partnering programme provides Investors, Employers, Employees or associated person of the business and community sectors with researched information, advice that helps them build relationships. By creating **researched opportunities and a financial direction** for these sectors to network, is to find out about each other and explore partnership and employment possibilities. The Action Key brand is a Product and/or Service PLUS a Relationship.

Our strong customer and member relationship is virtually **the only long term defensible brand differentiation left**. The Action Key Social Marketing program provides the essence or the Spirit of our Brand – what we believe the Brand believes, in connecting business and the community through the Foundation.





Housing affordability inquiry;

Submission to Housing Draft Report,
Submitted by: Action Key Trust Foundation.

Underlying demand for housing in New Zealand;

Housing can play a differing role, in the wellbeing of different cultural diversities. Along, with the security Real Estate can provide for families/whanau, within their communities can make contributions that are specific to their community needs. This Housing is also important for cultural outcomes in their communities.

These cultural values provide a profile of a family/whanau and how they are able to meet part of the underlying cultural demand as a fabric of society. A substantial consideration based on these cultural outcomes and part of our cultural capital is the historically relevant New Zealand Heritage buildings (ICOMOS New Zealand Charter & Heritage Building).

Sustainable housing in rural Maori communities;

The affordable and sustainability of rural housing poses a challenge for some Maori in sustaining a connection to the land and the cultural practices that are centered on marae, the Maori communities therefore, have a role to play in cultural preservation - Heritage Management.

Building social housing providers-at-scale;

The Commissions concerns, that the focus on building new houses takes a very narrow view of housing needs, particularly for rural Maori, will require social housing providers that will align well with the aspirations

Maori have for housing on their land. Project management through the whole of the property development, will require the feasibility information for Building supplies, Building methods, Builders and Tradesmen, along with the financial feasibilities of working capital for the build costs and how these savings can be passed onto first homeowners, where they can qualify for a home-loan that has a smaller loan but still qualify for a home that is at market price. This pricing of these builds also provides a social housing provider with the option to build to scale in terms of housing development numbers per year (International Conference on Durability of Building Material & Components - 2008).

Addressing the financial challenges to housing on Maori Land;

Financial barriers to home and property development don't start with the Banks and how they maybe reluctant to lend money for homes on Maori Land. As with any investment, without security you can leave yourself financially over exposed, to liability. The above Project management and financial feasibility is designed to address this consideration. Financial Literacy is not just about money and your relationship with money it is about having access to financial information that provides a financial direction for you to understand your situation.

The challenge for the Banks is not securing a loan for a property purchase or the limited market for the homes on Maori land that makes it harder to realize a good market price. It is whether the Banks and other lenders can create financial terms and conditions that provide a Cultural and Social value/security. This Social Bond would need to make these financial terms and conditions accessible for Social and Maori Land holders who have Succession as part of their Heritage and Culture. This is partly what Action Key Trust Foundation was established for; one investment example is the HNZCs - (Lease-back investments).

Alternative models for managing housing developments;

If the development of a Trust that is set up already and involved in social service provision, through the regularity of a household's premium payments may be an early indicator of potential financial difficulty. But this does not enable the Trust to provide or access support and assistance for that household by improving their circumstances or help reduce the risk of default. This creates a dependence on the Trust (Social Service Provider) that would be required to be the qualified Mortgage and Insurance Brokers, the Financial Advisor and Financial planner, Bank Manager and the Social Service Provider which these Sectors are not familiar with or qualified for.

For the alternative models or value chains to be productive in these sectors would require access to Building materials that meet building specifications at an affordable price so these benefits can be passed on to the first homeowner, then have a professional relationship with qualified Architects/Eco Architects, Builders and Tradesmen who are able to project manage these housing development models for Local Council sign off and meet their minimal complaints and build costs where this added value can be passed on to the first homeowner (Natural Building Systems Ltd).

Aligning housing solutions with a social investment provision;

Those involved in social service provision may prove more efficient at working directly with their whanau and/or clients on housing solutions than government agencies, but without Private Partners, who support Public/Government Partners and their intervention for your service provision, is to limit its ability to maintain quality standards of this service - Social Service Costs and Charges.

Aligning with a Whanau Ora approach that provides services and opportunities as a whole, where the collective capacity of the Whanau provides a security for all whanau members is a step towards whanaungatanga and Haapu stability within a community. For this reason Whanau Ora will require an Investment Ready process that identifies Maori resources and assets for Whanau potential and their Financial Literacy as a Whanau Investment.

To be Whanau Investment Ready is to integrate housing and a wider range of social services into Whanau Ora. Our financial feasibility programme provides collective data that moves at the pace of the highest common denominator. Without this Whanau Investment Ready process (KISS) you do not have a collective or a Haapu infrastructure as set out in the Maori Land Court Acts and related legislation.

Maintaining rather than building homes – the Rural Housing Programme;

To not build new homes is to not invest in our whanau community and the next generation. The history of existing homes is valuable information for potential re-investment in maintenance and whether this is a long term investment that the whanau has the capacity to maintain. The Rural Housing Programme may have been a response designed to assist whanau with essential repairs and in extreme cases, source a new home to replace houses that were not cost effective to repair.

This simple oversight in the initial investment of these homes is a design flaw in the previous programmes that the Rural Housing Programme has inherited. For the Rural Housing programme to provide value for money that leads to sustainable improvements in the rural housing stock is to substantial investment in alternative solutions (build methods) and innovations (build materials) that only require a minimal financial outlay for repairs, renovations, alterations and extensions.

From an investment point of view maintenance is important to retain value in the property at market price and the use of any micro-finance investment model where the funds can be recycled, needs to consider the building methods and the use of build materials at a minimum cost, so funds can be invested in more repairs and renovations with more repayments coming back into the micro-finance programme.

Maori organizations or Whanau ora providers will require a social investment programme that identifies them as stakeholders in the housing development and maintenances sectors where they can identify any potential benefits or savings for the homeowners.

Other ways to overcome the financial challenges to housing;

Trusts guaranteeing loans and guarantee home investments, then find and manage future demand directly will require our Investment Ready Programme. Purchasing an Option demonstrates continued demand for prospective homeowners that want to purchase a home in the future. For this initiative to be effective a Financial Literacy Programme will need to take into consideration these purchasing options and related financial direction.

Mutuality can provide a business underwriting for Mutual Insurance Schemes where each homeowner pays a premium into a mutual insurance fund that would insure the lender against defaults and retain the credit of the homeowners.

All potential funding models that exist and the NGO developers and other agencies, need to have long lead in times to address the issues that arise within each model. To successfully diversify and implement structures in order to deliver cohesive and smooth outcomes where these funding models can be adapted to the New Zealand market, taking into account the regional differences and needs. The most imperative factor of all in offering these funding models is the working partnerships and their successful outcomes.

New Zealand Securities Law Review;

With the introduction of the Financial Markets Conduct Bill (the Bill) is intended to repeal and replace the Securities Act 1978, the Securities Markets Act 1988 and the Unit Trusts Act 1960, as well as making significant amendments to other related legislation. The Bill will create a comprehensive regime for financial product disclosure and financial service provider licensing which is largely modeled on the Australian Corporations Act 2001. There are likely to be further significant changes to the Bill before it is enacted, and the detail of the regulations will be critical.