

Annual General Meeting 2021 Remit application

Council Proposing Remit:	Queenstown Lakes District Council (QLDC)
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Remit passed by: (Zone/sector meeting and/or list five councils as per policy)	Hamilton City Council Nelson City Council Porirua City Council Southland District Council Clutha District Council Central Otago District Council
Remit:	That LGNZ works with the Government to: <ul style="list-style-type: none"> 1. Conduct an urgent review of the Work and Income New Zealand (WINZ) Accommodation Supplement (AS) system zones in partnership with Territorial Authorities. 2. Schedule a two yearly review of the WINZ AS system zones in partnership with Territorial Authorities ongoing.

Background information and research:

Nature of the Issue

1. Work and Income New Zealand (WINZ) administers an Accommodation Supplement (AS) system, which provides a weekly payment that helps people with their rent, board or the cost of owning a home. It's a means-tested payment that is available to citizens or NZ residents aged over 16 who are not in social housing and have accommodation costs to meet¹.
2. The AS is structured according to four tiers, with AS1 being paid in urbanised areas (\$305 per week) through to AS4 being paid in the least urbanised areas (\$120 per week). The vast majority of the land mass of New Zealand is classified as AS4. With a difference of \$185 per week between AS1 and AS4, it's important that urban areas are zoned appropriately.
3. However, the AS system has not kept pace with areas experiencing significant change. It was last reviewed in 2018, but for high growth areas significant urban developments have been overlooked. New developments and suburbs have emerged at pace and have remained at their original rural AS level of AS4. With the current government's appetite for increasing housing supply, this issue may become more apparent with progress in this space.
4. This creates an inequitable and confusing situation between closely located neighbouring suburbs within urban areas. Older urban areas may be zoned as AS1, but new, adjacent neighbourhoods remain zoned AS4 as if never developed. Residents moving into these new neighbourhoods are rarely aware of the significant drop in AS they will experience and the considerable impact this could have upon their family's wellbeing.
5. This remit is recommending that LGNZ pursues an urgent review of the AS map across the country to ensure that households are able to access funds that will meaningfully improve their financial position and wellbeing.
6. This review should be undertaken in partnership with territorial authorities, aligning urban zoning potential with AS1 areas insofar as possible.
7. Furthermore, with a strong governmental focus on increasing the supply of housing across New Zealand, the review of the AS system should be conducted every two years in order to accommodate future changes.
8. Ensuring a regular, systematic review will be essential to maintaining the health of the AS system ongoing. A review every two years will ensure that the risk of this situation threatening the wellbeing of fast-growing communities can be mitigated over the longer-term.

Background to the Remit

3. The payments are particularly important to people in areas where the cost of living is high, but the average wages are below the national average.
4. Queenstown is a good example of where this is a challenge. The urban geography of the Queenstown Lakes District has changed considerably due to unprecedented growth in both

¹ <https://www.workandincome.govt.nz/products/a-z-benefits/accommodation-supplement.html>

residential and visitor numbers in the past ten years. Even post COVID 19, demand projections indicate a return to similar levels of growth in the near future².

5. As such, a number of areas identified as Area 4 (AS4) have now been fully urbanised for a number of years.
6. This is most notable in the Wakatipu Ward, where 16% of all dwellings are in the Lake Hayes Estate, Shotover Country Estate and Jacks Point. These are family-focussed neighbourhoods with significant capacity to grow, yet these locations are all AS4, eligible for only \$120 AS per week. Rent averages over \$700 per week for households in these locations³.
7. Queenstown will not be alone in facing this challenge, with other high growth areas likely experiencing similar situations.

New or Existing Policy?

8. This Remit represents a new policy position for LGNZ and for Central Government.

How the Issue Relates to Objectives in the Current Work Programme

9. This remit aligns with the policy priorities of LGNZ in relation to social equity and housing. This recommendation is an initiative that will reduce the risk of inequity when increasing the housing supply for working households.

Work Undertaken to Date and its Outcome

10. QLDC has advocated on this matter to central government over a number of years with little localised success. A wider system change approach is now recommended.

Any existing relevant legislation, policy or practice

11. This relates to an existing WINZ product and the processes which used to govern its delivery.

Outcome of any prior discussion at a Zone or Sector meeting

12. None

Evidence of support from a Zone/sector meeting, or five councils

13. Circulated via email and confirmed with the mayors of the above listed councils, some of the formal support will be confirmed at council meetings retrospectively.

² <https://www.qldc.govt.nz/community/population-and-demand>

³ SOURCE

Suggested course of action envisaged

That LGNZ works with the Government to:

14. Conduct an urgent review of the WINZ AS system zones in partnership with Territorial Authorities.
15. Schedule a two yearly review of the WINZ AS system zones in partnership with Territorial Authorities ongoing.