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

# Submission form

## Regulation of Residential Property Managers



## How to submit this form

Te Tūāpapa Kura Kāinga - the Ministry of Housing and Urban Development (HUD), would like your feedback on the proposals contained in the discussion paper *Residential Property Management – Regulatory Options*. Please provide your feedback by **5pm, Tuesday, 19 April 2022**.

Please complete this submission form and submit it to us by email to:

[propertymanagersreview@hud.govt.nz](mailto:propertymanagersreview@hud.govt.nz)

When completing this form, please provide comments and supporting explanations for your reasoning where relevant. Your feedback provides valuable information and informs decisions about the proposals.

We appreciate the time and effort you are taking to respond to this consultation.

## Submitter information

Te Tūāpapa Kura Kāinga would appreciate it if you would provide some information about yourself. If you choose to complete the section below it will be used to help us understand how different sectors view the proposals and options for the regulation of residential property managers. Any information you provide will be stored securely.

### Your name, email address, phone number and organisation

Name: Anna Robertson-Bate

Email address: Demelza.OBrien@huttvalleydhb.org.nz

Phone number: (04) 570 9002

Organisation: Regional Public Health

Are you making this submission on behalf of a business or organisation?

Yes

No

If yes, please provide a brief description of your organisation and its aims.

Regional Public Health (RPH) is the public health unit for the greater Wellington region. We work with communities and local organisations to make the region a healthier and safer place to live. We promote good health and work on disease prevention to improve the quality of life for our population, with a particular focus on children, Māori, Pacific peoples and low-income households.

A. The best way to describe you or your organisation is:

Property Owner and/or Landlord

Tenant

Property Manager

Other (please specify below)

Property Management Company

Prefer not to say

Please specify here.

Promoting and protecting the health and wellbeing for vulnerable populations in the Wellington region.

B. If you are a property manager, are you a member of an industry body?

Yes

No

If you are, what industry body are you a member of?

Real Estate Institute of New Zealand (REINZ)

- Property Managers Institute of New Zealand (PROMINZ)
- Residential Property Managers Association (RPMA)
- Other (please specify)

## Privacy & Official Information

### *Privacy Act 2020*

The Privacy Act 2020 establishes principles about the collection, use and disclosure of personal information. Te Tūāpapa Kura Kainga adheres to these principles thus any personal information you supply to us will only be used for the purpose of assisting in the development of policy advice in relation to the issues canvassed in the discussion paper.

Please tick the box if you do not wish to have your name or other personal information to be included in any information about submissions we may publish.

### *Official Information Act 1982*

While we are not proposing to publish the individual submissions we receive, they may be requested under the Official Information Act 1982. To assist us address any request we may receive under the Official Information Act, please respond to the following:

I consent to my submission being released if requested under the Official Information Act.

I consider my submission, or identifiable parts of my submission, should be withheld from release under the Official Information Act and have stated my reasons and the grounds that apply under section 9 of the Act for consideration by Te Tūāpapa Kura Kainga:

Reasons for Withholding Submission in whole or in part:

We will take any objection you may have into account and will consult with submitters when responding to requests under the Official Information Act.

## Follow Up

Are you happy for Te Tūāpapa Kura Kāinga to contact you if we have questions about your submission?

Yes

No



## **The Preferred Regulatory Model - Overview**

The regulatory system should promote public confidence in the delivery of residential property management services and protect the interests of property owners and tenants by:

- establishing professional entry standards for residential property managers
- establishing industry practice standards for the delivery of residential property management services
- providing accountability through an independent, transparent and effective disciplinary and complaints resolution process that applies to residential property managers and the delivery of property management services.

The following table depicts the emerging preferred regulatory model's key features which we have assessed against a range of other options and outlined more fully in the discussion paper.

System Features	Preferred Model Description	Rationale/Comment
Regulated Parties	Residential property managers and residential property management organisations	Regulating both individuals and organisations provides better protection to property owners and tenants and allows a wider range of interventions to be applied.
Registration and Licensing	Public register for individuals and organisations. Licensing for individuals only.	Registration requires all individuals providing property management services to list their name and place of business on a public register. Registration provides a means for identifying and contacting a practitioner.  Licensing requires individuals to meet the prescribed requirements to become licenced and to retain their licence.
Professional Entry Requirements	<ul style="list-style-type: none"> <li>18 years of age</li> <li>Fit and proper person test</li> <li>Education/training ("<i>basic</i>" course - 15 hours)</li> </ul>	Entry requirements are complemented by a suite of on-going practice requirements.  Entry requirements are less onerous than for real estate agents but are in line with what property management industry bodies are requiring of their members.
Industry Practice Standards	<ul style="list-style-type: none"> <li>Continuing Professional Development (20 hours per annum)</li> <li>Code of Conduct</li> <li>Indemnity and public liability insurance</li> <li>Trust Accounts (including independent review with periodic audits as required by the regulator)</li> </ul>	Property managers have to comply with the on-going practice requirements to be able to continue to operate as a property manager.  These ongoing requirements complement the entry requirements to ensure property managers meet appropriate competency and good practice requirements.
Complaints & Disciplinary	A tiered complaints system that allows for complaints to be escalated depending on their seriousness. The framework allows for mediation, or consideration by either a dedicated complaints committee or a tribunal.  Extending the mandate of either: <ul style="list-style-type: none"> <li>REA Disciplinary Tribunal (<i>Preferred</i>);</li> <li>or Tenancy Tribunal (<i>Under consideration</i>)</li> </ul>	This framework is intended to provide a mechanism for addressing complaints related to the professional conduct of a property manager (or organisation). It will complement established dispute resolution mechanisms such as those provided under the Residential Tenancies Act.  The regulator can investigate issues and take disciplinary action in its own right making it easier for vulnerable tenants to raise issues about property managers.
Offenses & Penalties	The details on proposed offences can found in the discussion paper. General maximum penalties: <ul style="list-style-type: none"> <li>for an individual – a fine not exceeding \$40,000</li> <li>a company – a fine not exceeding \$100,000.</li> </ul>	Offences and penalties are required to help ensure parties comply with regulatory system requirements.  The proposed offences are consistent with legislative and regulatory good practice requirements.  The penalties are aligned with penalties applied in other similar regulatory systems.
Regulatory Management	Real Estate Authority's mandate extended; or MBIE administered regulatory management ( <i>Under consideration</i> )	We propose a regulator independent of the property management industry. It will be more cost effective to establish the regulator's functions within an existing organisation. Two options are under consideration.
Cost recovery	A mixed model involving full cost recovery of some services, partial recovery of others and no recovery of 'public good' regulatory stewardship costs / initial establishment costs.	A significant portion of the costs associated with the delivery of the regulatory system will be met by third parties through fees and levies rather than being funded by the Crown.
Regulatory Stewardship	Te Tūāpapa Kura Kāinga	Regulatory stewardship involves overseeing the performance of the regulatory system. It requires providing policy advice on the system design and development; monitoring and evaluating the system; and monitoring and reporting on the performance of the regulatory authority. Te Tūāpapa Kura Kāinga is expected to fulfil this role.

1. Do you agree or disagree with our proposed objectives for the regulatory system?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

RPH strongly agrees that residential property managers and residential property management organisations be regulated. Safe, warm, dry housing and secure tenure is a fundamental basis of health and wellbeing. In Aotearoa New Zealand, 1 in 3 New Zealanders rents their home with 7.1% reporting that their rental property is unsuitable or very unsuitable (StatsNZ). Māori and Pacific peoples are disproportionately represented in the population that rents. Those that rent their home are more vulnerable to housing instability, economic hardship and are at higher risk of housing-related hospitalisations. RPH is strongly supportive of protecting the interests of tenants and providing accountability through an effective disciplinary and complaints resolution process that makes it safe for vulnerable tenants to raise issues.

2. Do you agree or disagree with the emerging regulatory model as a whole?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

Overall, RPH agrees both with the need for regulation and the considered approach that the Ministry of Housing and Urban Development have taken with regulating both individuals and organisations, on-going practice requirements, the complaints and disciplinary system and the use of an external regulator.

3. Are there any changes that should be made to the overall regulatory model?

- RPH is concerned that the regulation does not include landlords, especially those who own a number of properties and for whom it is a business. The People’s Review of Renting (2018) identified that tenants feel powerless to challenge landlords, this was with both landlords and property managers. The Tenancy Tribunal continues to serve the interests of landlords over the interests of tenants – for whom there is a fear of retaliation and who are at the mercy of the highly competitive and expensive rental market. When an individual owns and rents out a portfolio of properties, they are for all intents and purposes running a property management business but are also making decisions based on their own bottom-line with regards to maintenance, repairs and legally required upgrades not the wellbeing of the tenant. RPH recommends that when a landlord owns and manages 3 or more properties and manages them personally or as a family business be considered a property management organisation and be covered by this regulatory framework to protect the interest of the tenant along with the health and wellbeing of their whānau.
- The regulatory model requires a strong definition of ‘Property Manager’ and ‘Property Management Company’. This is particularly important as ‘Property Manager’ is not currently defined in the RTA legislation. This definition should resolve any ambiguity regarding what scale of portfolio is required to be considered a ‘Property Manager’ and how organisations

currently out of scope (Local Authority Training Enterprises, Community Housing Regulator Authority, Kāinga Ora) may be impacted.

- Due to the role housing and by association landlords/property managers play in the health and wellbeing of tenants it is important that the regulatory framework make greater reference to the wellbeing outcomes.
- With Māori disproportionately represented as renters, it is important that both the regulatory framework and the requirements for licensing refer to TeTiriti o Waitangi, te ao Māori and tikanga Māori.

## The case for intervention

The residential property management sector plays a significant role in the New Zealand residential tenancies market, which houses nearly one in three New Zealand households.

We estimate that there are between 2,096 and 7,881 residential property managers operating in New Zealand. They are responsible for managing about 42 percent of rental properties.

While many property managers abide by appropriate professional standards, the sector as a whole is not required to meet minimum competency and industry practice standards. A wide range of stakeholders have highlighted the significant risk that a lack of common industry good practice standards, controls and an accessible independent disciplinary and disputes resolution process pose to property owners and tenants.

The Government is committed to ensuring New Zealanders have access to secure, healthy and affordable housing. Towards that end we want to ensure residential property managers operate in a manner that supports public confidence in the integrity of the residential tenancies market and safeguards the interests of property owners and tenants.

4. Do you consider government regulation of property managers is required to address the risks posed by property managers to tenants or the owners of residential properties they manage?

Yes  No  Don't know

*Please explain why/comment*

Property managers play an important role in oversight of properties, informing and advising landlords on their legal obligations, selecting tenants, addressing tenant's concerns and handle a significant amount of money. Anecdotally from community-based organisations supporting people into housing in the Hutt Valley, there are many property managers who are not up-to-date on the health housing standards. The regulatory framework for property managers and management organisations is long overdue with Consumer NZ reporting on the gap more than ten years ago. Regulation of property managers is the norm in Australia and in New Zealand there is regulation for related trades, like real estate agents. A regulatory framework would give tenants and owners more confidence that property managers and property management organisations are able to do their job and that there is a clear pathway for resolving complaints and disputes where property managers have failed to meet what is required of them.

5. Do you have any comments on our overview of the residential tenancy market, the residential property management sector, or the current regulatory environment?

The housing crisis in Aotearoa New Zealand is equally a health and human rights crisis. Unstable, insecure and unaffordable housing has detrimental impacts on physical and mental health, and education outcomes. The rights of tenants in Aotearoa New Zealand's housing market is imbalanced when compared to rights and powers of landlords and property managers. Due to this, it is important to note that all whānau living in rentals are vulnerable. All renters face a power imbalance dealing with property managers and landlords due to the low supply and high demand of housing. RPH recognises that there are landlords who are contentious and some who even go the extra mile for their tenants but there are many stories of whānau who are renting not being treated with dignity and respect. The People's Review of Renting (2018) noted that the stories they heard showed the negative effects renting in the current environment had on the quality of life, mental health and physical safety of whānau. Whānau are reluctant to complain due to the possibility of increased costs and evictions. The realities of insecure tenure and the lack of affordable alternative properties available contributing to people feeling desperate. Property Managers and landlords continue to hold more power and engage in renting out low-quality, substandard housing for high rent. RPH agrees and reiterates that poor quality housing and insecure tenure has a direct impact on the health and wellbeing of children.

## Establishing a new occupational regulatory system

We are proposing to regulate the activities of residential property managers and residential property management organisations. The proposed legislation would bind the Crown and, therefore, capture public sector organisations and employees that deliver residential property management services. There would be scope for the regulator to provide exemptions from all or part of the system's requirements for occupations that have appropriate standards and accountability arrangements already in place.

6. Do you agree the regulatory system should apply to individuals and organisations providing property management services operating in the private, community and public sectors?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

There should be an agreed standard of care and service for whānau who are renting in all contexts whether in community, public or private rental situations. Regional Public Health delivers the Well Homes programme in the Greater Wellington region helping whānau live in warm, dry, safe and healthy homes. It is a free housing assessment and offers useful tips and advice to stay warm and healthy, save power, and treat and prevent mould. It also engages landlords and property managers around heating, insulation and other upgrades necessary to meet the current Healthy Homes standards. Despite emails and letters to property managers on issues of concern it is rare that the Well Homes assessors get any uptake or response. Well Homes assessors also about the ability of both private and public housing providers to ensure warm, dry, safe and health homes for whānau.

7. Should real estate agents be exempt from holding a property manager license but still held to account for compliance with industry entry and practice standards through the complaints and disciplinary process?

No. Real Estate Agents are regulated by the Real Estate Authority for the purpose of promoting and protecting the interests of consumers buying and selling real estate. The knowledge and skills required to sell a house are different from managing rental properties. Property management requires an understanding of current legislation related to rentals, people skills and the ability to be responsive to requests and maintenance needs. Real Estate Agents who are involved in property management will need to be licensed by two separate bodies to ensure that they meet the requirements.

## Certification, Registration and Licensing

To be employed or trade as a residential property manager individuals would need to hold a licence issued by a regulatory authority that determines they meet specified licensing requirements. While residential property management organisations would not need to hold a licence to trade and employ property managers, they would be subject to industry practice standards and complaints and disciplinary arrangements. The regulator would maintain a public register of residential property management organisations and licensed property managers.

8. Do you agree that individual property managers should be required to hold a licence?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

9. Do you agree that organisations offering residential property management services should not be required to hold a licence provided they are subject to industry practice standards and the complaints and disciplinary arrangements?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

10. Do you have any comments on the proposed licence renewal, conditions, suspension, and revocation arrangements?

Yes  No

*If yes, please comment.*

## Occupational Entry Requirements

To obtain a residential property management licence, applicants will need to be at least 18 years of age, meet a fit and proper person test, and provide evidence that they meet the minimum training and education requirements. Those requirements are expected to include satisfactory completion of a training course involving approximately 15 hours study and cover:

- Legislative and regulatory requirements related to residential property management
- Knowledge about maintaining a property
- Managing relationships with tenants
- Conduct expected from a property manager.

11. Do you agree that a fit and proper person test should be required of property managers?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

Agree, this is a position of trust for both landlord and tenants. This contributes to ensuring the safety of tenants and their whānau.

12. Do you agree there should be a minimum training or education requirement to be able to trade as a property manager?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

RPH recommends that this training include education on Te Tiriti o Waitangi and tikanga Māori as well as all relevant legislation including the Privacy Act.

13. Do you agree that a basic level of training of about 15 hours, along with other requirements, is sufficient to lift the standards of property managers? If you do not agree, what would you consider to be an appropriate level of training?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

Measuring the number of hours of training received does not reflect on skill or knowledge. It should be measured through a test of knowledge to ensure a basic level of training has been undertaken and understood. Because of the lack of regulation to date, the level of knowledge and good practice of existing practitioners likely varies. Therefore, RPH recommends that base training for all current property managers is required. This is particularly important in light of the various changes in relevant legislation in the last two years.

14. Should property managers be required to gain some industry experience under the supervision of an experienced practitioner before becoming fully licensed?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

Some initial supervision will ensure increased standardisation of practice, shared learning and will complement the training.

15. Do you agree that there should be a minimum age requirement of 18 years of age?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

## Professional and Industry Practice Standards

Residential property managers and residential property management organisations will need to comply with professional and industry practice standards. These will include:

- Meeting Continuing Professional Development requirements, anticipated to involve a commitment of around 20 hours each year
- Operating in accord with a Code of Conduct
- Holding professional indemnity and public liability insurance
- Operating trust accounts
- Ensuring trust accounts are subject to independent review annually and periodic audit as may be required by the regulator from time to time.

16. Do you agree that property managers should be required to undertake continuing professional development?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

Continuing Professional Development is part of staying up-to-date with the latest practices and relevant legislation. Property Managers should be required to continue their learning including building their cultural competencies to increase their capabilities and address systemic racism in the rental sector.

17. Do you agree that property manager should abide by a Code of Conduct?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

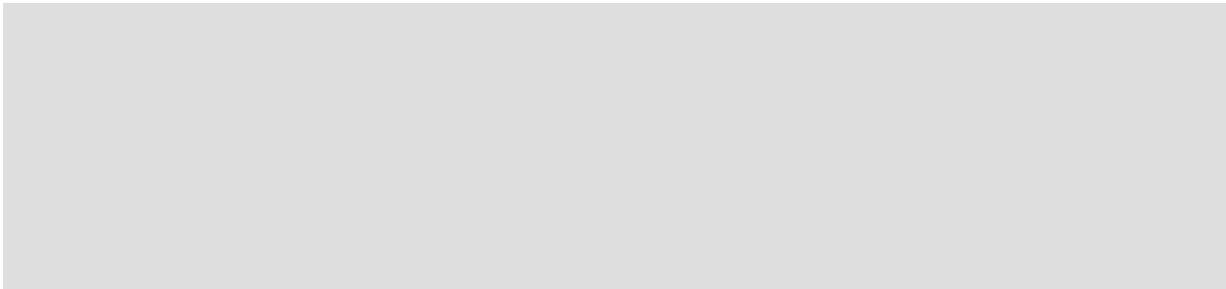
*Please explain why/comment*

RPH recommends that the code be informed by Te Tiriti o Waitangi and the NZ Human Rights Commission Framework Guidelines on the Right to a Decent Home. The current code focuses almost solely on the relationship between the Property Manager (PM) and landlord, it needs to include a focus on the 'duty of care' for tenants and the relationship between PM and tenant.

18. Should property managers be required to use trust accounts?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

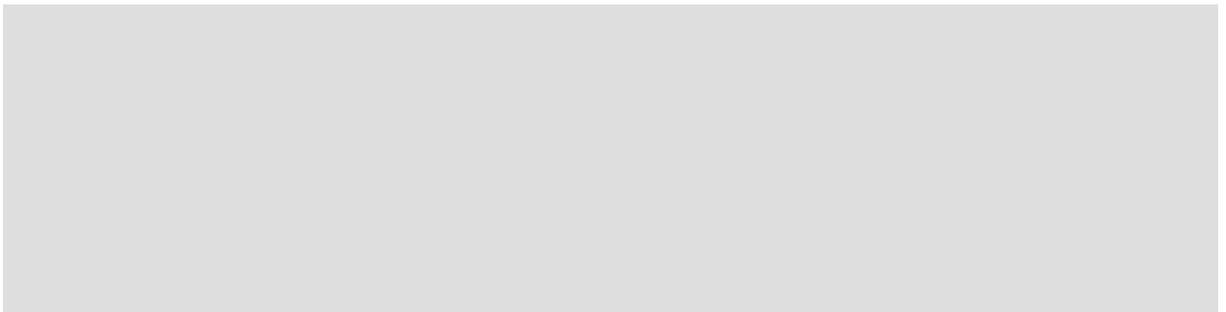
*Please explain why/comment*



19. Should property managers' trust accounts be subject to independent review with the regulator able to require the periodic audit of accounts?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

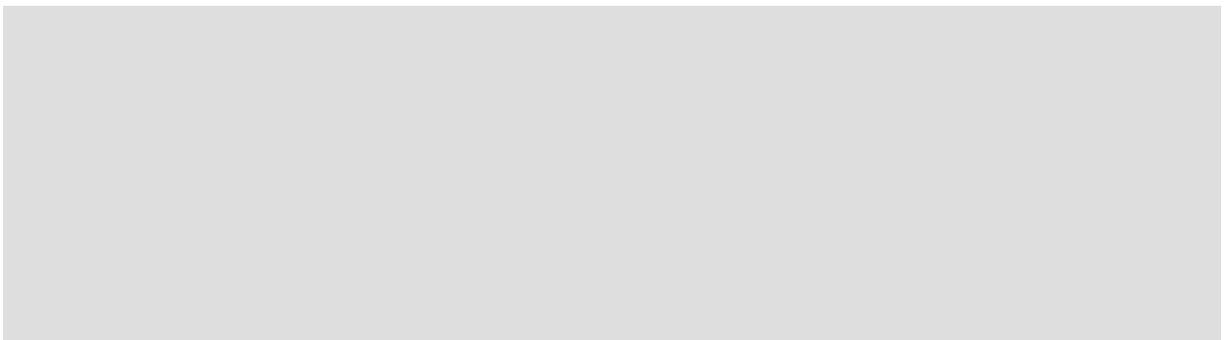
*Please explain why/comment*



20. Should property managers be required to hold both professional indemnity and public liability insurance?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*



## Complaints and Disciplinary Framework

The regulatory system will incorporate an independent complaints and disciplinary framework. It will be modelled on the framework that applies to real estate agents.

The regulator would triage complaints, which includes determining whether a complaint involves a breach of the property management legislation or should be referred to another organisation. The regulator could also proactively identify, investigate and initiate disciplinary proceedings in its own right. For complaints that are covered by the legislation, resolution can take place through mediation, a Complaints Committee appointed by the regulator (for cases that may involve 'unsatisfactory conduct') and through a Disciplinary Tribunal (for more serious cases that may involve 'misconduct').

Either the Real Estate Agents Disciplinary Tribunal (REA Disciplinary Tribunal) or the Tenancy Tribunal could have their mandates extended to provide Tribunal-related services. On balance, however, we propose extending the mandate of the REA Disciplinary Tribunal to cover property management issues.

All parties would have the right to appeal a Complaints Committee decision to the Disciplinary Tribunal and retain a further right of appeal to the High Court, and to the Court of Appeal on questions of law. Complaints Committee and Disciplinary Tribunal decisions would be published in a publicly accessible 'decisions' database.

21. Do you agree with the proposed complaints and disciplinary framework?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

RPH agrees on the importance of having a complaints and disciplinary framework. The proposal to enable proactive investigation by the regulator is crucial to the success of the framework and to ensuring a fair and responsive enforcement system in recognition of the power imbalance between tenants and property managers/landlords.

22. What are your views on the proposed disciplinary tribunal delivery options?

The proposed Complaints Committee needs to include someone who can understand and represent tenant interests, particularly in light of the fact that tenants are often in a lower power and more vulnerable position in relation to property managers and landlords. Where needed, renters should be allowed to appoint advocates to represent them in mediation and at the Tribunal. Alongside this, there needs to be a quick resolution service (rather than having to go through the tribunal) and/or a notification system where tenants can give examples of the way they have been treated without it becoming an adversarial process.

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## Offences and Penalties

A number of offences with appropriate penalties will be included in legislation to ensure compliance with regulatory requirements. They will form part of the system's overall compliance management framework and complement other features that encourage voluntary compliance or, where necessary, address non-compliance.

### *Offences*

The proposed offences include:

- Providing false or misleading information to obtain a licence or register as a residential property manager
- Failing to notify the regulatory authority of a change in circumstances that would have a material impact on eligibility to gain or retain registration or a licence
- Practising as a residential property manager when unregistered or unlicensed (unless exempt from these requirements)
- Employing or contracting an unregistered or unlicensed person as a residential property manager to provide residential property management services
- Failing, without reasonable excuse, to comply with a lawful requirement of the regulatory authority established in primary or secondary legislation such as, for example producing financial records or other documents specified in regulation
- Failure to meet obligations in relation to property management transactions that may be specified in primary or secondary legislation such as:
  - Failure to hold money in audited trust accounts
  - Failure to pay a person lawfully entitled to money received
  - Rendering false financial accounts
  - Failing to disclose a conflict of interest
- Resisting, obstructing or providing false or misleading information to any person undertaking a lawful function provided for in legislation
- Failing to comply with a lawful summons or acting in contempt of a Tribunal or other Court hearing proceedings established under the legislation.

Unless a lesser penalty maxima is provided for specific offences, the maximum penalties should be:

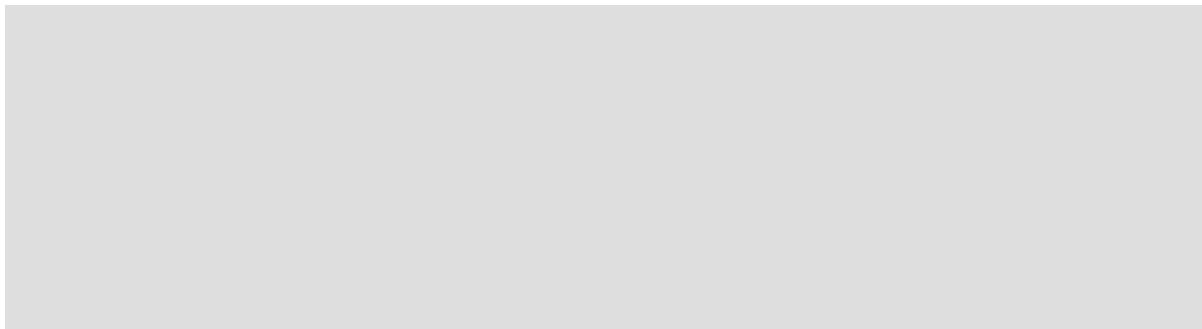
- in the case of an individual a fine not exceeding \$40,000
- in the case of a company or other organisation, a fine not exceeding \$100,000.

The proposed offences and penalties are aligned with those included in similar occupational regulatory systems – in particular the Real Estate Agents Act 2008.

23. Do you agree with the proposed offences framework?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*



24. Are there any additional offences that should be included in the framework?

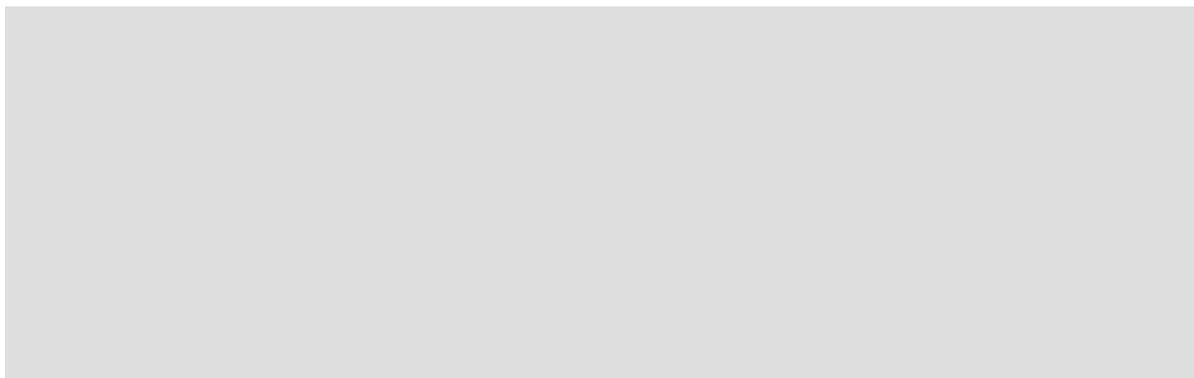
Two additional offences should be included:

- Failure to ensure that property meets the Healthy Homes Standards, and failure to ensure that the Health Homes Standards statement of compliance have been signed by the landlord and provided to the tenant.
- Failure to up-hold the Code of Conduct

25. Do you agree with the proposed maximum penalties?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*



## Regulatory Management and Stewardship

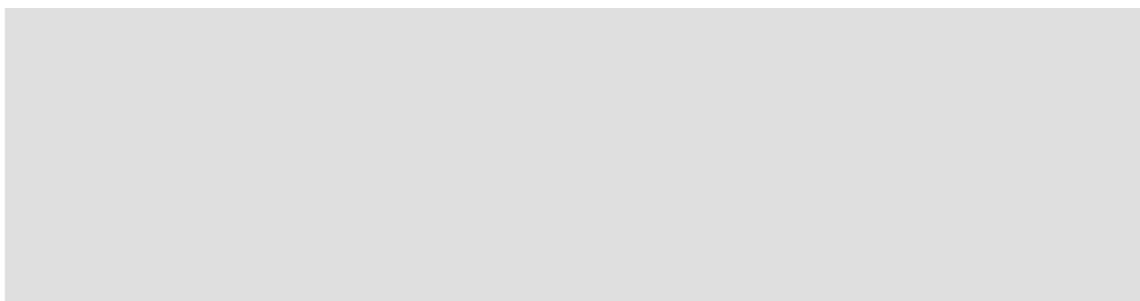
An independent regulator would be responsible for the regulatory service design and delivery. Its functions would include:

- Education and professional development
- Registration and licensing
- Standard setting
- Compliance management
- Disputes resolution.

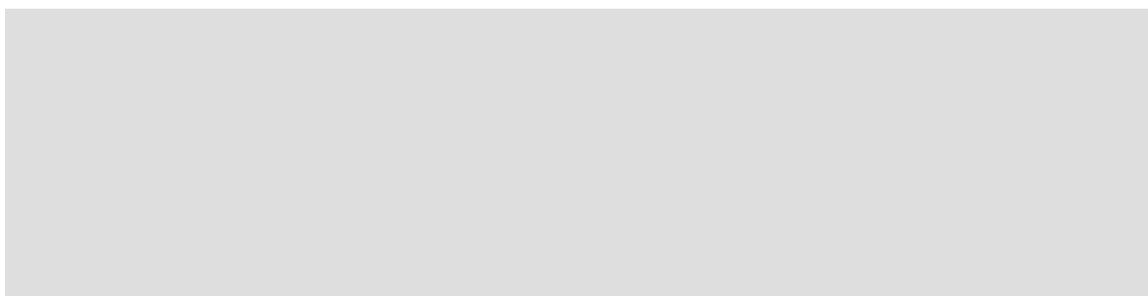
We propose that the regulator's powers and functions be vested in a body independent of the property management industry. This could involve either extending the Real Estate Authority's (REA) mandate or having the Ministry of Business, Innovation and Employment (MBIE) provide regulatory management services. Further analysis is required to assess the implementation issues and costs associated with these two options.

Te Tūāpapa Kura Kāinga would act as the steward of the new regulatory system, however, further consideration will need to be given to the implications for the current accountability arrangements for Courts and Tribunals, the REA and Tenancy Services, which are performed by the Ministry of Justice and MBIE.

26. Do you have any comments to make on Te Tūāpapa Kura Kāinga proposed regulatory stewardship role?



27. Do you have any issues or concerns with the regulatory authority's proposed functions?



28. Do you agree the regulatory authority's functions should be vested in a body independent of industry?

- Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*

A transparent, fair and responsive enforcement system requires an independent body with the ability to investigate complaints.

29. Which entity is best placed to perform the regulator's functions:

- Real Estate Authority (REA)  
 MBIE  
 Other

*Please explain why/comment*

The regulator function needs to sit independently from other regulatory functions including the Real Estate Authority and the Tenancy Services to ensure a transparent, fair and responsive system.

## Cost Recovery

A significant proportion of the costs associated with the delivery of the regulatory system should be met by the property management sector through fees and levies rather than being funded by the Crown. Principles based on equity, efficiency, justifiability and transparency would be incorporated in primary legislation to frame the establishment of cost recovery arrangements.

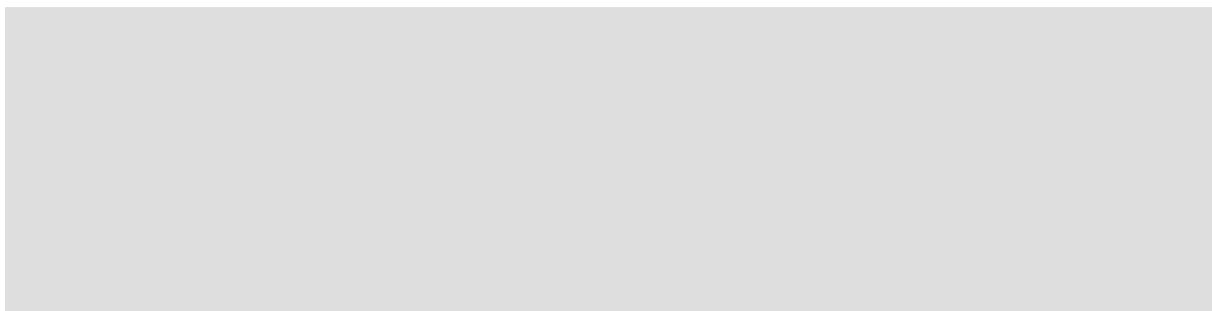
The cost recovery requirements, including the charge levels, will be established in regulations which will be subject to Ministerial approval. Before seeking to recover costs, the regulatory authority would be required to ensure affected parties, or representatives of affected parties, have been consulted. The affected parties include property managers, property owners, tenants and tangata whenua.

An initial government appropriation to cover the regulatory authority's establishment and first year operating costs may be required.

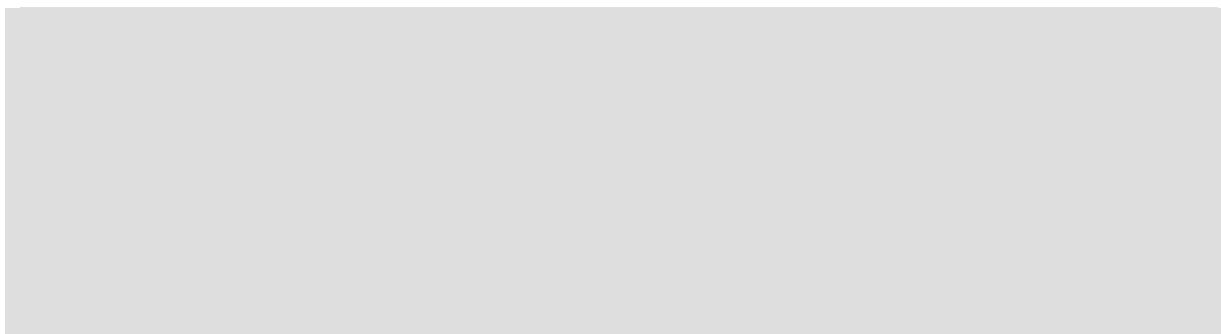
30. Do you agree with the proposed cost recovery framework?

Strongly Agree  Agree  Not sure  Disagree  Strongly disagree

*Please explain why/comment*



31. Are there any changes that should be made to the framework?



## Delivery and Next Steps

When the submissions period closes, we will analyse the submissions and report to the Associate Minister of Housing (Public Housing).

If agreed by Cabinet, the regulation of residential property managers will require new legislation. This will provide another opportunity for public input when the Government’s draft Bill is being considered by a Parliamentary Select Committee. Consultation will also take place during the development of regulations required to give effect to the primary legislation.

To enable the establishment of the regulatory authority and the promulgation of enabling regulations, we anticipate the primary legislation would not come into force until approximately 12 months following it being passed by Parliament.

We also anticipate the legislation will include transitional arrangements and a further transitional period of approximately 12 months to provide time for:

- Regulated parties to meet the legislation’s regulatory requirements; and,
- The regulator to complete the initial registration and licensing of all regulated parties (with phased renewal dates to smooth the administrative burden associated with this process).

Te Tūāpapa Kura Kāinga will also implement monitoring and evaluation arrangements.

Indicative Implementation Timeframes	
Milestone	Target Date
Cabinet agrees to develop draft Bill	September 2022
Cabinet approves introduction of the draft Bill to Parliament	April 2023
Draft Bill’s receives First Reading & referred to Select Committee	May 2023
Select Committee report back	Late 2023
Passage completed and Royal Assent	Mid 2024
Regulations gazetted	Mid-late 2024
Commencement	Mid 2025
All provisions in force	Mid 2026

32. Do you have any concerns with the proposed development process and indicative timeline?

33. Do you have any final comments you wish to make?