

11th August 2016

To the Housing Spokespeople of the Labour, Green and Maori Parties

Submission from the Auckland District Council of Social Services to the Cross-Party Labour, Green and Maori Parliamentary Parties' Inquiry into Homelessness.

Please find below our submission.

We would be happy to elaborate on points made in this Submission by appearing at a hearing.

We can be contacted through our Responses Committee Chair Richard Northey who can be contacted at 184 Arthur Street, Onehunga, Auckland, 1061; email, northeyr@xtra.co.nz; ph 096341494 or 0272479662

The Auckland District Council of Social Services (ADCROSS)

ADCROSS is an umbrella organisation covering the Auckland isthmus area. Membership is made up of representatives from voluntary agencies, community groups, statutory bodies and interested individuals. This submission was approved by members of our Responses Sub-committee.

Our functions include disseminating information on social policy issues, legislation and policy changes, to our members and to other social and community service providers. We do this by running workshops, seminars and training sessions. We also frequently make responses and submissions to public bodies and to Parliamentary Committees on legislation and on policy and regulatory matters.

We have an Executive, made up of members elected at our AGM and co-opted throughout the year. This meets monthly to discuss current issues and programmes, and it is to this meeting that representatives from our sub-committees report. We currently have sub-committees on: housing issues, producing responses and submissions, publications and older adults. Our housing issues subcommittee draws housing workers and experts from throughout the Auckland region and acts as a voice on housing issues for all local Councils of Social Services across Auckland.

We are affiliated to Community Networks Aotearoa, based in Wellington, which works closely with Central Government, the New Zealand Council of Christian Social Services, and Hui E! in the social policy field.

Homelessness in New Zealand

It is obvious to anyone in the main centres of New Zealand, from the numbers of rough sleepers seen in the streets, that homelessness is on the rise and a serious social issue. Sleeping rough is the pointy end of homelessness, which also includes people sleeping in their vehicles, in boarding houses and in overcrowded conditions. It has been estimated that there are tens of thousands of people living in such conditions across the country. Homelessness in New Zealand is clearly greater than it has been for at least 60 years and is increasing disastrously. Homelessness is the result of both a shortage of affordable housing, a long legacy of unfair and inappropriate social and economic policies and attitudes.

The economic factors include: unemployment; underemployment; insecure employment; low wages and a minimum wage that is too low; lack of limits on what landlords can charge; inadequate financial literacy and other essential life skills. Neo-liberal policies and ideology, predominant in NZ over the past 30 years, have resulted in attitudes that focus on each man/family looking after themselves with little social conscience for those less fortunate. Social policy has neglected to look after them also, including children raised in families living with poverty, violence, alcohol and drug addiction and mental illness. These traumatised children grow up struggling to make sense of their lives and develop similar issues, making it difficult for them to do well in life. Services for them in adulthood are also inadequate and many finish up in prisons, our new social service. Many services once carried out by the Government are now farmed out to charities and NGOs, which are underfunded and unable to respond to the volume of demand.

The social factors include a too widespread tendency to blame the homeless victims rather than examining the causes and optimum solutions to what used to be a much less prevalent issue. There remains inadequate support for mental health services when mental health funding that should be ring-fenced is siphoned off for other health needs that are more visible and compelling to those with influence. Addictions, particularly to alcohol, drugs and gambling, break up homes and leave people without enough resources to afford rental accommodation- the excessively easy availability and inappropriate glamour associated with them together with underfunded services add to these problems. While there are examples of empathetic courts, social and community workers and services, marae, police and probation services, too often the justice system tends to exacerbate personal problems that lead to homelessness rather than help solve them.

The Overall Housing Situation

Housing provision in New Zealand is in a desperate crisis.

In Auckland, Christchurch, Tauranga, Hamilton, Wellington, Nelson and Queenstown the price of housing has shot up to levels that are unaffordable for most families. Key causes of this crisis are the excessive value of urban land; unnecessarily high housing construction costs; a tax system that rewards people investing in residential housing at the expense of investing in activities that provide enhanced products and services; and a severe shortage of supply of affordable residential accommodation which is exacerbated by a lengthy period of very high net immigration levels. Local government controls play a smaller part. Although they should speed up approvals they must not relax the building construction requirements that would otherwise lead to a disaster similar to the Leaky Buildings crisis. The excessive price of residential land is much more the result of the above causes as shown by the high land prices also applying outside urban zoning such as near beachfronts and other desirable locations.

Rental accommodation provision faces a range of equally compelling issues. For tenants there is no real security of tenure meaning families and individuals are forced into frequent moves disrupting schooling, health and employment and too often into homelessness. Too many rental units are unhealthy, unsafe, insufficiently accessible, unaffordable and wasteful of energy meaning children have a poor start to their lives and generate a range of long-term costs for all of us. Some people end up homeless because rentals are unaffordable for them and they face barriers they cannot scale in order to get into rental accommodation- large bonds and rent in advance; what should be illegal letting fees and key money; a lack of references because this is their first rental or they have failed to be satisfactory tenants in the past; and sometimes insurmountable difficulty in getting appropriate support from WINZ for those without housing or a bank account. Because of excess demand over supply many landlords, including Housing New Zealand unfortunately, too readily seek to give 90 day notices to or evict people who have difficulty in managing their responsibilities as tenants.

A combination of promoting best practice, financial incentives and penalties and effective regulatory controls are needed to correct these failings. Such measures as requiring a just cause for eviction, including by Housing New Zealand; a comprehensive Warrant of Fitness being required for rental housing with the withdrawal of the accommodation supplement for units until they meet its requirements; a reasonable limit on the amount a landlord can ask in advance of a tenant on commencing the tenancy; more and better supported emergency housing; and a large scale programme of construction of more state houses and other social and affordable housing are required.

Residential Rental Issues

As far as Tenancy Law is concerned, we start with the submission we recently made on behalf of ADCOSS on Andrew Little's Healthy Homes Guarantee Bill. This Bill is a good attempt to overcome the fact that too many New Zealanders live in rental accommodation that is damp, cold and unhealthy, too costly and with only short-term tenure, resulting in people becoming homeless or developing long term health problems that can blight the rest of their lives.

ADCOSS supported the intent of the Bill, namely to ensure that every residential rental property meets clear minimum standards of heating and insulation so that every home is healthy, warm and dry.

ADCOSS strongly urged that the specific requirements the Bill for adequate insulation and heating be extended to cover other requirements with equally important health impacts. We asked that specific further requirements be added namely, methods of heating and of insulation, indoor temperatures, ventilation, draught stopping and drainage. These should include more specific requirements for effective heating (such as by a heat pump) but not by unflued gas heaters because of the dampness they generate. This could be achieved by adding to (i) to read: "(i) methods of heating that must be fixed and effective and specifically exclude unflued gas heaters; and".

Other requirements that we recommended be added to this list of required standards in the Bill are:

- "(viii) lighting; and
- (ix) lavatories; and
- (x) food storage, preparation and cooking; and
- (xi) potable water supply; and
- (xii) moisture extraction systems; and
- (xiii) sound-proofing; and
- (xiv) safe access; and
- (xv) safe power outlets and light switches."

All these requirements should become the major part of the requirements to obtain a Rental Warrant of Fitness to be required for all rental accommodation.

ADCOSS also believed an additional clause should be added to the Bill to oblige MBIE to carry out adequate random auditing to ensure compliance with the Act and regulations.

Although the provisions in this Bill are very valuable, much more extensive reform of tenancy law is required in the medium term.

Residential tenancy laws and regulations in New Zealand should be modelled on those applying in Germany, which I visited last year, the Netherlands and in most of Europe. The objectives of these laws should include the following major changes.

1. A better balance in the law as it applies to tenants as compared to landlords so that tenants have much more security of tenure;
2. tenants being able to make changes to their residence so that it is genuinely their home and their housing location is indeed their community;
3. strong requirements to ensure that all rental accommodation is not only healthy but also safe, secure, accessible and affordable; and
4. ensuring there is no longer excessive pressure on people to exceed their realistic financial means in seeking to become home owners. These changes would be to encourage and enable them to instead rent with secure tenure and use their precious financial resources instead on advancing their education, their quality of life and growing their business; and
5. a statutory obligation on the state to house the homeless.

The Policy and Regulatory Changes Needed

Government, Auckland and other Councils, Community Housing Providers, Developers and Landlords need to adopt policies which should include at least the following provisions.

1. A requirement for a just cause for eviction if a tenant wishes to remain in their rental property. In general tenants also should be able to remain in occupation when a property is sold. As a first step we believe that the provision in the Act for landlords to be able to evict tenants on 42 days notice, ostensibly to house a relative, is unnecessary, unfair, has too often been inappropriately exploited by landlords; and obliges tenants into sometimes frequent moves, thereby harming the education, health and personal development of children and the ability of adults to retain jobs and community connections. That provision should be repealed.
2. An ability for tenants seeking to rent long term to be able to make reasonable additions and modifications to their property as set out in Shamabeel Eaqub's "Generation Rent".

3. A requirement that, just as a car has to have a Warrant of Fitness, all properties offered for rent must have an approved Housing Warrant of Fitness. This would cover not only heating and insulation but all the proposed additions above to the standards set out in Andrew Little's Bill and also other reasonable requirement for health, safety and quiet enjoyment of their rental accommodation. These should include appropriate and effective lighting, laundry facilities, safety window latches and disability access.
4. Until a Warrant of Fitness becomes compulsory for all properties offered for rent the Accommodation Supplement should only be paid to those landlords all of whose properties have a Warrant of Fitness.
5. The Government should build at least 20,000 affordable homes for rent every year, about 10,000 of which should be social housing for Housing New Zealand or Community Housing Providers.
6. The Auckland Council and other urban Councils should substantially and continuously increase the numbers of their pensioner housing units. The Councils should also build, or enable Government and Community Housing Providers to build, a substantial number of homes for low income families and individuals including on their own land.
7. Auckland Council's Unitary Plan should enable more housing choice and encourage a significant proportion of healthy affordable homes to be provided in all suburbs, consistent with protecting heritage and character homes, through more intensification and controls more appropriate for ensuring desirable outcomes. It needs to retain the initial proposal for Inclusionary Zoning, a requirement that all residential developments of more than 15 units must include at least 10% of retained affordable housing
8. Tenancy regulations should permit a rent increase no more than annually rather than six monthly. Until rental housing supply catches up with demand active consideration needs to be given to controlling maximum

rent levels where they unjustifiably high and unaffordable for the quality of housing provided.

9. Income related rents should be available to reputable community housing providers providing for special needs, such as those with a mental illness, rather than only for tenants who would qualify for Housing New Zealand accommodation.
10. The Labour Government's 10 year interest free loans under the Housing Initiatives Fund, which are due to end for Abbeyfield, the Auckland Community Housing Trust and a number of other community and social housing providers. This will force most of them to sell a significant proportion of their homes then unless the policy changes to be prepared to extend those subsidies.
11. Appropriate measures, including tax changes such as a comprehensive capital gains tax, need to be adopted to reduce drastically the cost of urban land. Until housing supply catches up with demand active consideration needs to be given to controlling the price of urban land in the main growth centres by progressively lowering it by about half to such an extent that the overall price of urban housing is affordable for the majority of families and developers can afford to build affordable housing on the majority of their land.
12. The costs of building materials and of building methods in New Zealand both need to be drastically reduced. The current monopolies and duopolies in building materials need the government to intervene to control over pricing through the Commerce Commission or enabling alternative suppliers. The Government must provide or enable the emergence of builders using more holistic construction methodologies and standardised designs built to a substantial scale to reduce house prices.
13. Overseas residents and companies should be banned from purchasing existing residential accommodation in New Zealand and only permit purchase where they are increasing the housing stock.

14. Immigration policy and criteria need to be more flexible and adjusted quarterly to reduce entry across most categories to about half the current net immigration levels.
15. There should be a statutory obligation on the Government to house the homeless as applies in Britain and many European countries. The government should build, purchase or support community agencies to provide sufficient adequately resourced emergency housing to house all of those homeless people seeking accommodation to be housed until appropriate secure accommodation is available for them.

We look forward to appearing before your Housing Inquiry to elaborate on this analysis and these proposals.

Richard Northey

Chair, Responses Committee

For Auckland District Council of Social Services.