

**SUBMISSION TO THE LOCAL GOVERNMENT AND ENVIRONMENT SELECT
COMMITTEE ON THE
AFFORDABLE HOUSING: ENABLING TERRITORIAL AUTHORITIES BILL**

1.0 Introduction

1.1 The New Zealand Council of Christian Social Services (NZCCSS) has six foundation members; the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support New Zealand Inc and the Methodist and Salvation Army Churches. Through their networks and approximately five hundred social service delivery sites NZCCSS members make a significant contribution to New Zealand's social wellbeing.

(Further information on NZCCSS can be found in Appendix 1.)

1.2 NZCCSS welcomes the opportunity to make a submission on the Affordable Housing: Enabling Local Authorities Bill, and would like to request that a representative of the Council appear before the Select Committee to speak to this submission. NZCCSS would be represented by Ross Kendrew (President) and Trevor McGlinchey (Executive Officer), both of whom can be contacted through the NZCCSS Secretariat on 04 473 2627 or via admin@nzccss.org.nz.

2.0 Summary of submission:

- 2.1 NZCCSS supports the Bill's general intentions and believes it will contribute to easing the housing affordability problems facing our communities in the medium to long term.**
- 2.2 Further bold action is required to assist those least able to afford adequate housing. We urge Parliament to focus support on the most vulnerable, to expand existing schemes such as Welcome Home Loans, to invest massively in building more social housing units, increased investment in community housing providers, establish a Housing Commission to allocate housing funding across the whole sector, increased support for housing modification and retrofitting for healthy housing;**
- 2.3 Affordable housing policies should be a requirement and not an option for TLAs;**
- 2.4 Expand the outcomes and objectives of the Bill to include sustainable and universal design and access to transport; and**
- 2.5 Criteria for deciding eligibility for affordable housing must recognise the constraints on people holding legal or beneficial interests in Maori land.**

3.0 Comprehensive Action Required

- 3.1 NZCCSS advocates for greater justice and compassion for poor and vulnerable New Zealanders. We have consistently advocated for better social housing policy and welcome the introduction of the Housing Affordability: Enabling Territorial Authorities Bill into Parliament.
- 3.2 While NZCCSS has some reservations with this Bill, should it become law it will indeed help ease some of the affordability pressures in the housing market. We would like to take this opportunity to ask the Select Committee to recommend that further bold action - beyond the scope of the current Bill - be taken to meet the needs of people on low incomes.

4.0 Prioritise the Most Vulnerable

- 4.1 We draw your attention to the reality that nearly 30% of tenant households are living below the nominal poverty line (60% of equivalent median household income). Priority issues for NZCCSS include:
- housing the homeless and emergency housing
 - affordable and good quality social housing
 - secure and affordable private sector rental tenancies
 - policies to help those on the lower incomes to accumulate capital by moving into home ownership.
- 4.2 NZCCSS recognises that there are a number of current and planned Government policies that are addressing some areas of housing affordability. However, NZCCSS believes that these are not sufficient to meet the level of current and future need.
- 4.3 We do not believe the Accommodation Supplement has been effective in ensuring people on low incomes have access to affordable, good quality rental housing. The ongoing rapid increases in the value of housing has resulted in landlords needing high rents in order to make a return on their investment, and this high cost structure has seen lower value rental properties receiving little or no maintenance or development. Poor and vulnerable people are often those that are forced to take low quality accommodation as that is all they can afford both in entry costs and in rent.
- 4.4 A lack of access to affordable rental accommodation is evidenced by the long waiting lists for Housing New Zealand Corp houses throughout the country. For example, as at 31 December 2007 141 applicants classified by HNZC as having a 'significant or persistent housing need' were on the waiting list in Auckland Central. This doesn't include the 183 with moderate housing needs or 130 applicants with lower housing needs.
- 4.5 Other policies such as the Welcome Home loan scheme and the Housing Innovation Fund are very effective but on far too small a scale to meet the level of need for expanding community sector housing or helping low income earners into home ownership.

- 4.6 The Kiwisaver Scheme deposit subsidy of up to \$5,000 for first-home buyers is also a positive initiative but we note that it will not take effect before 2010 as home buyers must save for at least three years with Kiwisaver to access the subsidy. With current median house price in New Zealand standing at \$345,000 (December 2007) the \$5,000 subsidy is too meagre to make much impact on housing affordability even for low income New Zealanders.
- 4.7 We believe the Shared Equity Scheme being planned to complement the Welcome Home Loan scheme is a very positive measure for lower income earners, however, the pilot version currently being considered for this year is too small to make a significant impact in the foreseeable future .

5.0 These Policy Initiatives Are Not Enough

- 5.1 NZCCSS urges the select Committee to recommend to Government the development of a major investment programme to meet the increasingly desperate housing situation for low income New Zealanders. We refer to the Salvation Army report on housing “Rebuilding the Kiwi Dream” showing that future projections of housing growth suggest that simply to prevent a worsening of the situation at least 50,000 (or around 20%) of the minimum 262,000 new houses that will be needed will have to be affordable tenant accommodation. Half of these will need to be in Auckland.
- 5.2 NZCCSS believes that investment in housing stock represents a sound and future-proofed investment of Government budget surpluses that is of immediate value to the poorest and most vulnerable of New Zealanders.
- 5.3 NZCCSS also encourages the Select Committee to recommend greater investment in community housing provision through long-term support for community housing providers.
- 5.4 NZCCSS requests that the Select Committee seeks Government support to establish a NZ Housing Commission to allocate funds across HNZC, third sector providers, and Maori, as well as grants, subsidies and suspensory loans to low income families (as recommended in the Salvation Army’s Rebuilding the Kiwi Dream report).

- 5.5 In addition to these measures NZCCSS urges the Select Committee to recommend investment in larger scale and more comprehensive programmes providing support for housing modification including healthy housing and universal design in existing properties as well as new properties.
- 5.6 The retrofitting of existing houses with energy saving technology including insulation and ensuring that good universal design features such as accessible bathrooms and doors wide enough for wheel chairs will ensure that existing housing stock is healthy as well as economically and ecologically sound. These design features will allow these houses to continue to provide effective housing for our aging population and will decrease the need for new housing stock.
- 5.7 NZCCSS acknowledges that the above policy suggestions are beyond the immediate scope of the Affordable Housing: Enabling Territorial Authorities Bill. However, the Council firmly believes that these measures are essential if the Government is serious about addressing the chronic shortage of affordable housing.

Specific Commentary on the Bill

6.0 Explanatory Note

- 6.1 The Explanatory Note sets out many, but not all, of the pressures creating the need for affordable and social housing initiatives. Other pressures include:
- Tax structures that encourage the purchase of second and third homes as investments
 - No large scale programmes to provide realistic assistance to raise deposits to first home buyers
 - Lack of large scale support for community housing NGOs
- 6.2 NZCCSS is concerned that key NGOs, particularly those with experience in social housing initiatives, and those working at the social services coalface, do not appear to have been consulted in the development of this Bill.

7.0 Section 5 - Purposes

7.1 NZCCSS agrees with issues the Ministry of Social Development has raised concerning concentrations of deprivation and believes that the Bill should be worded to encourage the implementation of current good practice models in social housing design.

7.2 We recommend that an additional clause be added to S5(a)(ii) and costs: “*and achieving the goal of mixed communities*”

8.0 Section 7 - Decision to assess

8.1 NZCCSS is concerned at the voluntary nature of the decision to assess. There has been a range of recent experiences where Territorial Local Authorities have had policy positions that social housing was a Central rather than Local Government issue. Some of these experiences have occurred in places that had a strongly demonstrated need for social and affordable housing initiatives such as Auckland.

8.2 More specific wording that places a greater responsibility on Territorial Local Authorities to identify and respond to social and affordable housing needs is required.

We recommend that the wording of Section 7(1) be amended as follows: *A territorial authority should assess the need for affordable housing in its district when indicators such as those listed below demonstrate that such an assessment is necessary.*

9.0 Method of Assessment

9.1 NZCCSS supports the encouragement for Territorial Local Authorities to take a forward looking perspective so that assessment is not solely focussed on current need.

10.0 Section 9 - Outcomes and Objectives

10.1 NZCCSS believes this Bill would be strengthened by the inclusion of advice similar to that provided to the Territorial Local Authorities in most of the other sections in this Bill.

10.2 We recommend that the following words be added to Section 9:

“Without limiting what the outcomes and objectives may state, things that the authority may consider appropriate outcomes and objectives may include –

- Sustainable design and the need for homes to be energy efficient*
- The need for universal design to accommodate for the ageing nature of the population and the likely needs of older affordable housing owners/tenants*
- Implementation of good practice in the design of affordable homes, neighbourhoods and communities*
- Effective and sustainable transport options, including public transport.”*

11.0 Section 13 - Criteria for allocation

11.1 The criteria in S13(2)(c) may be constraining in circumstances where a person has legal or beneficial interest in Māori land which is of such value that it “may make it inappropriate for a person to be allocated affordable housing”. On the basis that:

- Māori land owners may be unable to sell land due to conditions on such sales imposed by Māori Land Law;
- The relationship between Māori and their customary lands is such that sale of such lands may be culturally unacceptable; and
- Any law that appears to encourage alienation of Māori from customary lands must be seen as an unacceptable development in an era of respect for Treaty of Waitangi principles.

12.0 Conclusion

12.1 NZCCSS thanks the Select Committee for the opportunity to make this submission. The Council urges the Select Committee to take a wider ranging view of the need for affordable and social housing initiatives and encourages the Select Committee to

recommend more action in this important area. Affordable housing and effective social housing initiatives will make a positive difference in the lives of poor and vulnerable New Zealanders.

Appendix I – Overview of NZCCSS

The New Zealand Council of Christian Social Services (NZCCSS) represents six denominations: the Anglican, Baptist, Catholic, and Presbyterian social services agencies, as well as the Methodist and the Salvation Army churches.

Collectively, these six members are responsible for over 500 social service delivery sites in their networks throughout New Zealand.

Our members deliver a wide range of services that cover such areas as child and family services, services for older people, foodbank and emergency services, housing, budgeting, disability, addictions, community development and employment services.

This size and diversity in services are amongst the many reasons for NZCCSS to celebrate its membership and the work that they do to meet people's needs throughout New Zealand.

NZCCSS Mission and Role

NZCCSS works for a just and compassionate society in Aotearoa New Zealand. We see this as a continuation of the mission of Jesus Christ. In seeking to fulfil this mission, we are committed to:

- giving priority to poor and vulnerable members of our society
- Te Tiriti O Waitangi

The key roles of NZCCSS are to represent the common interests and vision of our members at the national level; to supply information and networking opportunities to support members provide quality services; and to develop, critique and advocate for policies that will assist poor, vulnerable and disadvantaged members of society.

A national Council, made up of two representatives from each denomination, governs NZCCSS. A small Secretariat team carries out the day-to-day work of the Council. This includes gathering and distributing information, research on social policy issues, and building relationships with government officials and others working in the community sector.

A Policy Group oversees the policy and research work that NZCCSS does in three key areas: child and family, housing and poverty and services for older people. Each Policy Group is made up of at least two council representatives plus social services managers, academics or others with particular expertise in that area. This means that the work that NZCCSS does is well informed by what is happening in our members' communities.