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CHRISTCHURCH

23 June 2016

Committee Secretariat
Government Administration
PARLIAMENT BUILDINGS

Tēnā koe i nga ahuatanga o te wa

Healthy Homes Guarantee Bill (No 2)
Submission to the Committee Secretariat, Government Administration

Introduction: Te Pūtahitanga o Te Waipounamu

Te Pūtahitanga o Te Waipounamu writes in response to the *Healthy Homes Guarantee Bill (No. 2)* to amend the Residential Tenancies Act 1986 to provide a minimum standard for all rental homes in New Zealand.

Te Pūtahitanga o Te Waipounamu is a limited partnership, supported by the nine iwi of Te Waipounamu through a Shareholders Council known as Te Taumata. Te Pūtahitanga o Te Waipounamu was launched in July 2014 as the South Island Commissioning Agency for Whānau Ora. Te Taumata has appointed an independent governance board which is responsible for the investment strategy. The name, Te Pūtahitanga o Te Waipounamu, represents the convergence of the rivers of Te Waipounamu, bringing sustenance to the people, and reflecting the partnership's founding principle of whānaungatanga.

Commissioning in the context of Whānau Ora is the process of identifying the aspirations of whānau and investing in them whether they are new or existing initiatives. These whānau-centred initiatives are expected to best reflect progress towards Whānau Ora outcomes.

Whānau Ora is an inclusive approach to support whānau to work together as whānau, rather than separately with individual family members. We consider that Whānau Ora outcomes will be met when whānau are:

- Self-managing;
- Living healthy lifestyles;
- Participating fully in society;
- Confidently participating in Te Ao Māori;
- Economically secure and successfully involved in wealth creation;
- Cohesive, resilient and nurturing;
- And able to act as responsible stewards of their living and natural environments.

Te Pūtahitanga writes in support of the Healthy Homes Guarantee Bill (No. 2). Houses are not just places where people reside, they are the places where families and whānau live and grow together. A safe and healthy home environment can lead to improved health and employment outcomes, enhanced wellbeing, family stability and improved educational outcomes for children. These outcomes exemplify the expression of Whānau Ora.

However, Te Pūtahitanga does have significant concerns regarding the lack of clarity around some of the aspects of the Bill. In particular, there is no information available on the process by which the Ministry of Business, Innovation and Employment will establish the minimum standards, and what mechanisms will be put in place to enforce these minimum standards. The consideration of the Bill by Parliament presents an opportunity to reflect on the gaps in current residential tenancies legislation and to find appropriate solutions to those gaps. The individuals, families and whānau who rent their homes deserve to have legislation which enforces their right to live in a healthy and safe home.

Support for Healthy Homes Guarantee Bill

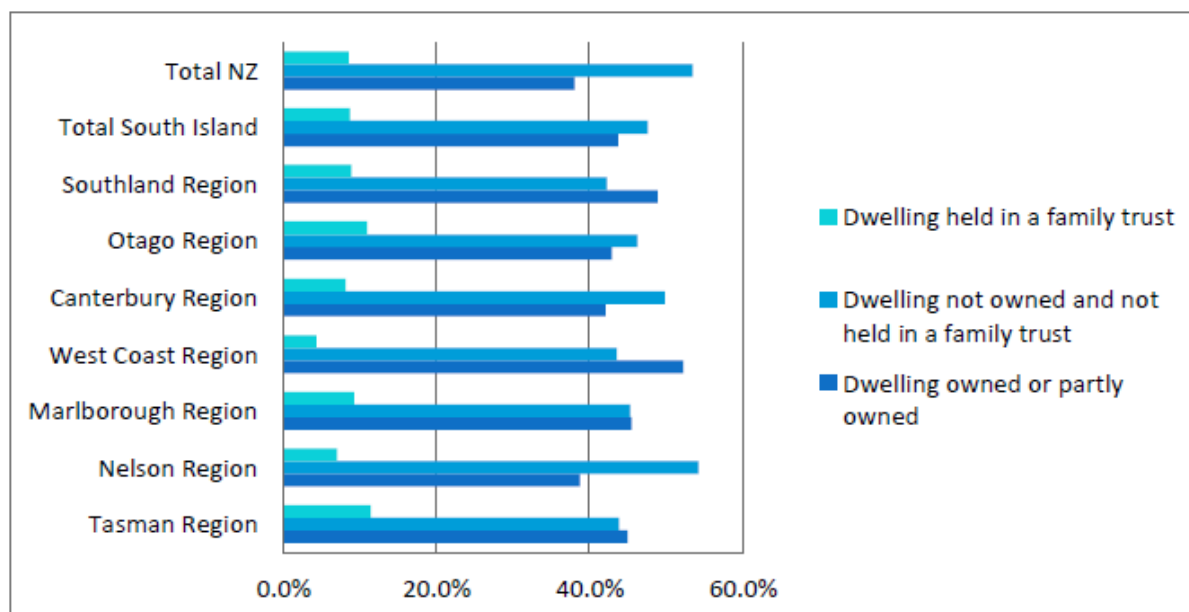
Housing, in particular the ability to find healthy and suitable housing, is a significant issue that is currently facing many New Zealanders, and a targeted approach is needed to ensure that all individuals, families and whānau have access to warm, safe and healthy homes. Te Pūtahitanga supports the legislation like the Healthy Homes Guarantee Bill in its aims to improve the condition of rental accommodation in New Zealand.

Te Pūtahitanga supports this Bill for a range of reasons, but primarily because the current legislation regulating residential tenancies is insufficient and fails many of the families and whānau who rent their homes. The current legislation, the Residential Tenancies Act 1986 relies upon a reasonable standard of living (for example, section 45), where the standard of reasonableness is undefined and dependent on interpretation by a tenancy mediator or Tenancy Tribunal adjudicator.

The Residential Tenancies Act also places reliance on relevant legislation, including the Housing Improvement Regulations 1947. The Housing Improvement Regulations sets the minimum standards which residential tenancies must meet, but are dated in their language and approach, and have not been appropriately updated to reflect related legislative changes. Furthermore, although minimum standards are set, there is no external, independent mechanism to monitor and enforce the standards, and the legislation relies on tenants to report non-compliant properties.

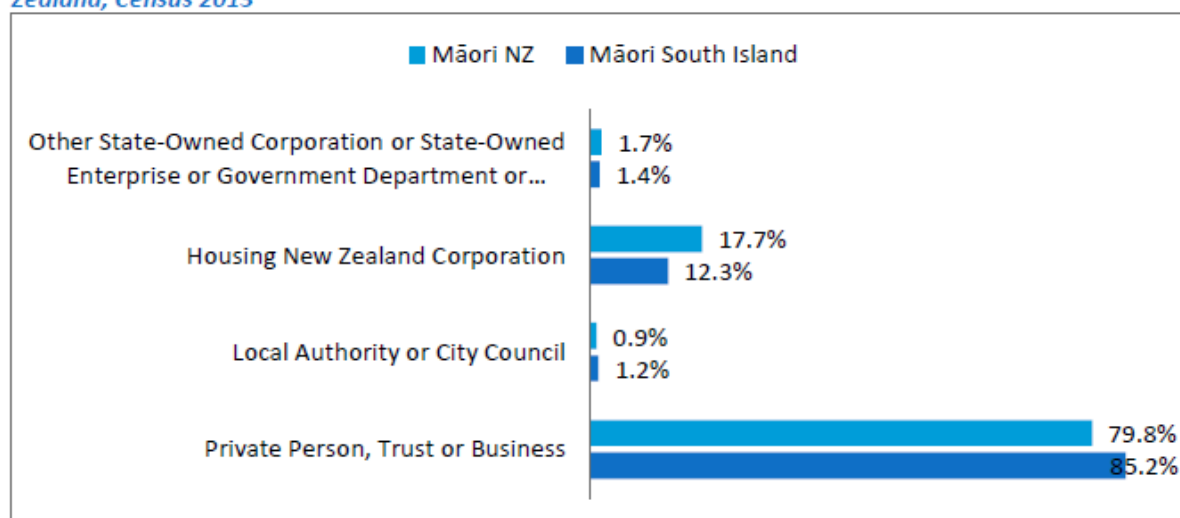
Consideration of the needs of whānau in the South Island

Figure 23: Tenure of Household for Māori descent population in each region (and total South Island and New Zealand), Census 2013



Just under half (47.6%) of Māori living in the South Island do not own the home in which they live (Census 2013, figure 23). This means that approximately 48,000 Māori in the South Island live in rental accommodation, and will consequently be impacted by the proposed introduction of the Healthy Homes Guarantee Bill. Of those Māori in the South Island who rent their home, the majority rent on the private market, with only 14.9% renting from a central or local government agency (Census 2013: figure 24).

Figure 24: Sector of landlord for those renting, Māori descent population in the South Island and New Zealand, Census 2013



Lack of access to sufficient appropriate housing influences and exacerbates many of the challenges faced by Maori whānau.

Te Pūtahitanga has previously supported the amendments to the Residential Tenancies Act, requiring insulation and smoke alarms in all tenanted properties. Te Pūtahitanga aims to support all legislative changes that will further better outcomes for whānau in the South Island. However, we were concerned about the limited scale of the amendments to the Residential Tenancies Act. Te Pūtahitanga o Te Waipounamu has consistently advocated for a warrant of fitness scheme to be implemented for all private residential tenancies. The Minister for Whānau Ora is also a strong advocate for a rental warrant of fitness scheme.

Situation facing whānau in Canterbury region

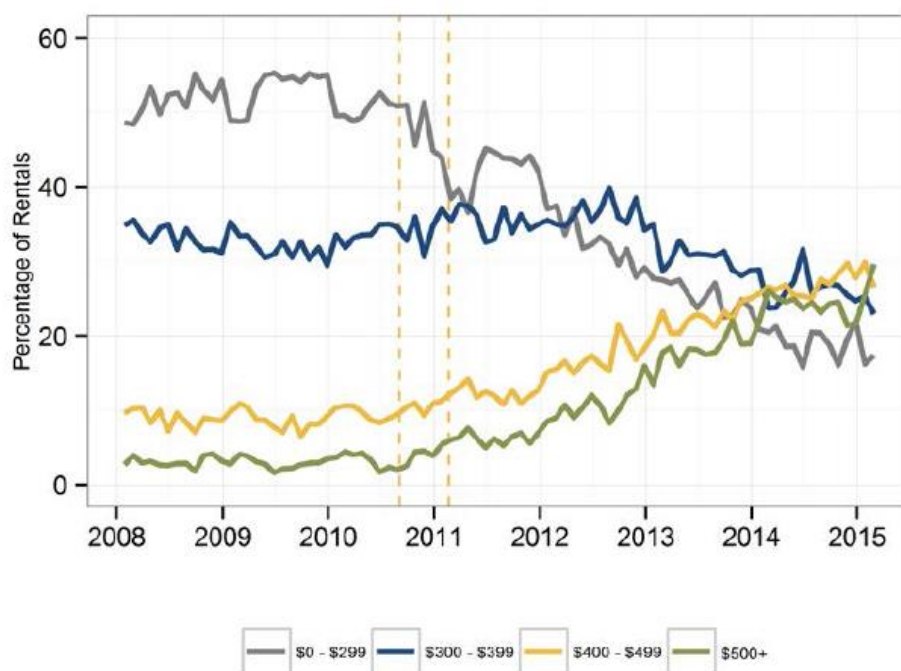
While the issue of safe and health rental properties is evident across the South Island, it is an especially significant issue in Christchurch. We remind the select committee that the Minister for Whānau Ora visited a range of homes in Eastern Christchurch in April 2015 and observed sub-standard housing – cold, damp, with rotting windowsills and constant condensation. The concerns he expressed in the media at the time are still apparent in the state of the housing sector in Christchurch over a year later.

Since the Canterbury earthquakes, Christchurch city has experienced an 88.4% increase in the number of unoccupied dwellings (for the period 2006-2013), compared to a 21.8% increase in the Selwyn District during the same period (Canterbury Wellbeing Index June 2015, Population, 7, table 3). This combined with an influx of workers from outside Christchurch to assist with the rebuild has created significant pressure on the Christchurch housing market.

Weekly mean rent has increased 44% across Christchurch (for the period August 2010 to August 2014), and now only the East and Central City suburbs have weekly means rents below \$375.00 per week, where \$375.00 is the national mean weekly rent (Canterbury Wellbeing Index June 2015, Housing Affordability and Availability, 11). Bond prices in Christchurch have correspondingly risen, and 2014 marked the first time where bonds of over \$400 per week exceeded those under \$300 per week (Canterbury Wellbeing Index, Housing Affordability and Availability, 13, figure 6).

Consequently, a household in Christchurch needs to earn \$80,000 per year to afford a median priced rental property (\$450 per week). However, over 50% of Christchurch households have a median income of \$70,000 or less per annum.

Figure 6: Percentage of rental bonds lodged monthly by weekly rent level



The Christchurch earthquake also caused the temporary or permanent loss of many social houses provided by either Housing New Zealand (HNZC) or the Christchurch City Council (Canterbury Wellbeing Index June 2015, Housing Affordability and Availability, 16, figure 9).

The combination of these factors has forced many Christchurch families and whānau into vulnerable situations, and some landlords are taking advantage of this vulnerability. Anecdotal evidence reveals that some landlords are accepting insurance pay-outs for damaged rental properties, but are not undertaking repairs for fear of loss of rental income. Landlords are also delaying undertaking small scale repairs so that all work is done together with the earthquake repairs.

Whānau report having to accept living in 'as is, where is' properties with broken heat-pumps, leaking guttering and downpipes, and broken pipes inside walls and under floors causing rot and mould. A stronger minimum standard for rental properties, as proposed under the Healthy Homes Guarantee Bill, would ensure that landlords are obliged to undertake such repairs, and that families and whānau are not forced to live in these conditions.

There have also been issues regarding the installation of insulation through organisations like Community Energy Action. The insulation is installed free of charge, but some landlords are subsequently increasing the rent on the basis of an increase in property value, completely against the intention of the free insulation schemes. Some families and whānau are now declining referrals to groups like Community Energy Action on the basis of such experiences.

Areas of concern in relation to the Healthy Homes Guarantee Bill

While Te Pūtahitanga supports the aims of the Healthy Homes Guarantee Bill, there are some concerns in relation to its implementation.

- The Ministry of Business, Innovation and Employment (MBIE) will be responsible for setting the minimum standards for rental properties, but there is no guidance on the process by which these minimum standards are established. Housing impacts on all aspects of family and whānau wellbeing, including health, education and employment. It is submitted that in developing the minimum standards, MBIE should consult with a range of stakeholders, including other Ministries (for example, Health and Child, Youth and Family) and community groups.
- Although the connections between ill health and poor housing are known, the causal connections are not well understood. For example, keeping bedrooms warm at night is a priority (18 degrees is a minimum). This is particularly important for lung health, and to prevent hospital admissions, such as for pneumonia, asthma, bronchiolitis, rheumatic fever. We consider that unintentional injuries and a wide range of diseases can be effectively addressed through healthy housing. Primary prevention related to construction, renovation, use and maintenance can improve better health. The indoor pollutants and dampness, are factors in the development of allergies and asthma. Te Pūtahitanga o Te Waipounamu recommends that the Bill have a much stronger and more consistent reference to the relationship between quality housing and health status.
- There is also a lack of clarity regarding the penalties for landlords who do not comply with the standards, and the process by which non-compliance is monitored. One of the main failings of the current residential tenancies legislation is that the onus for monitoring the standards rests with the tenant. Te Pūtahitanga submits that an independent monitoring service should be implemented to ensure that the minimum standards are met by all landlords, and to monitor future implementation. Many tenants are either currently unaware of their rights as tenants, or scared of enforcing them at the risk of losing their home. Providing tenants with an external monitoring agency will relieve the pressure on tenants, and assist in ensuring compliance with minimum standards.
- Any agency given the mandate to enforce minimum standards for rental properties should also be given powers to enforce those standards, and the power to implement appropriate penalties for non-compliance. Tenants also need to be supported by providing clear information about the changes to the minimum standards and what that means for their rights as tenants.
- There has also been considerable confusion around the timeframes in relation to the Healthy Homes Guarantee Bill. Commentary on the Bill indicates that the new minimum standards will begin to be implemented within twelve months, with all leases meeting the standards within five years. Te Pūtahitanga submits that the impact of unhealthy housing on the health and wellbeing of families and whānau is too great for any delays to be entertained.

While it is recognised that appropriate timeframes are needed, it is unacceptable that any individual, family or whānau should have to live in homes that do not meet the minimum

standards of habitation. Te Pūtahitanga joins with others, such as the Children's Commissioner, to state that any one day where a child is exposed to health risks by the house that should be their home is one day too many. Te Pūtahitanga submits that the timeframes for compliance should be tightened, and that all rental properties should be compliant, at the most, within a three year period.

Te Pūtahitanga o Te Waipounamu recognises that the Healthy Homes Guarantee Bill is only in the preliminary stages of governmental consideration, and that work will be done throughout the process to strengthen the provisions outlined in the Bill. However, Te Pūtahitanga is supportive of the intent of this Bill, and its aims to improve, not only rental accommodation, but the wellbeing for all individuals, families and whānau.

Te Pūtahitanga is open to any future engagement on the *Healthy Homes Guarantee Bill (No. 2)*, and appreciates the opportunity provided by the Committee Secretariat, Government Administration to engage in the consultation process. Te Pūtahitanga would like the opportunity to present to the Committee Secretariat on the *Healthy Homes Guarantee Bill (No. 2)*.

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Heoi ano



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