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CHRISTCHURCH

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Tenancies Submissions
Ministry of Business, Innovation and Employment
15 Stout Street
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Tēnā koe i nga ahuatanga o te wa

Proposed Residential Tenancies Regulations for insulation and smoke alarms
Submission to the Ministry of Business, Innovation and Employment

Introduction: Te Pūtahitanga o Te Waipounamu

Te Pūtahitanga o Te Waipounamu writes in response to the *Proposed Residential Tenancies Regulations for insulation and smoke alarms* from our unique perspective as the South Island Commissioning Agency for Whānau Ora.

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.

Residential Tenancy in the context of Whānau

Households are the building blocks of a tribal economy, and a key catalyst and enabler of growing, vibrant, connected kāinga. Asset ownership enables people to exert more control over their lives, managing risks and taking advantage of opportunities. Households can plan ahead with more confidence.

This, in essence, is the expression of Whānau Ora – where income and wealth stability lead to improved health and employment outcomes, enhanced well-being, family stability, and improved educational outcomes for children.

Yet many households are simply not in a position for home ownership. We must provide the appropriate support and sufficient opportunity for an enduring housing solution for whānau. Housing affordability is a big concern. A household in Christchurch, for example, needs to earn \$80,000 per year to afford a median priced rental property (\$450 per week). Over 50% of Christchurch households have a median income of \$70,000 or less per annum.

Housing Vulnerability

Housing was identified by Te Puāwaitanga ki Ōtautahi Trust as a major issue in the post-earthquake environment. The loss of thousands of homes, home repair delays, increased rents, and the demand for housing for rebuild workers creates a dire situation, particularly for those who are most vulnerable and lifelong residents. Their August 2014 study revealed that hundreds of people were being forced to live in cold crowded and damp garages, sheds, caravans and containers. The survey showed that the housing situation for Te Puāwaitanga whānau have declined dramatically post-earthquake.

Finding affordable, warm and dry housing is a key challenge. Whānau are more often turned down for private rentals due to income or status.

Against this context, Te Putahitanga o Te Waipounamu welcomes the introduction of new requirements for insulation and smoke alarms for residential tenancies. Both of these requirements will have significant long term positive impacts on the health and wellbeing of individuals and whānau living in residential tenancies. Given the range of illnesses (such as asthma and rheumatic fever) associated with living in cold and damp houses, the introduction of compulsory insulation standards for all rental properties is an extremely positive move. The installation of insulation will also make it easier for individuals and whānau to keep a home warm and healthy, and will have favourable impacts on both the costs of heating a home and the long-term impact of energy consumption on the environment.

Smoke Alarms

In particular, the requirement for a minimum of one working smoke alarm in hallways is an easy and cost-effective way to prevent both loss of life and damage to property. We agree with

the New Zealand Fire Service that the installation and maintenance of smoke alarms in residential rental properties should be mandatory. Approximately 90% of fire fatalities in 2014 were in rental properties.

We would also recommend photoelectric smoke alarms, rather than ionisation smoke alarms, as a more cost-effective and more enduring technology. Photoelectric alarms are more effective at picking up slow, smouldering fires.

We recommend that a photoelectric smoke alarm is installed in every bedroom, one in the hallway between living areas and bedrooms and one on each level of every rented house.

Rental Warrant of Fitness

Te Pūtahitanga o Te Waipounamu supports the recommendation from the Minister for Whānau Ora for a rental warrant of fitness scheme for all private rental tenancies. The Minister visited a range of homes in Eastern Christchurch in April 2015 and observed substandard housing – cold, damp, with rotting windowsills and constant condensation.

We spend a lot of time in our homes and our health is directly affected by the conditions in which we live. Existing legislation provides minimum standards for rental housing but it is not being sufficiently monitored or enforced. Tenants are often reluctant to speak out about poor rental conditions in fear that they might risk eviction.

Concerns with the Residential Tenancies Regulations

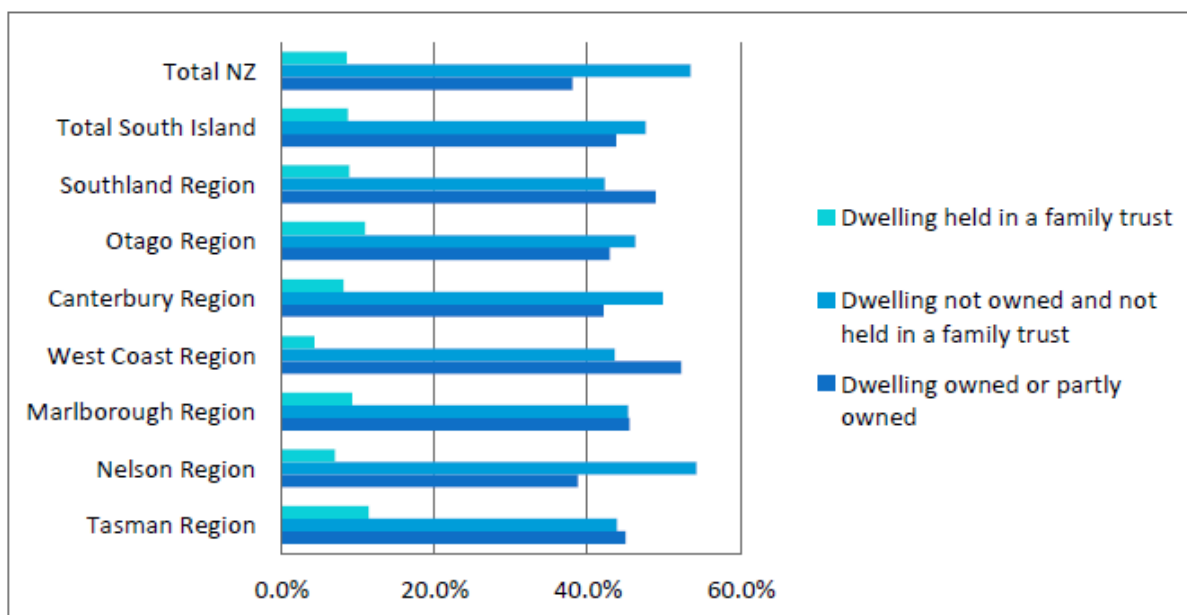
Te Putahitanga o Te Waipounamu seeks to raise concerns with several aspects of the regulations, namely:

- whether the needs of whānau across the South Island have been adequately considered;
- the ability of landlords to undertake the installation themselves, particularly in relation to the use of foil insulation;
- the lack of clarity around how tenants will be advised of the new insulation requirements; and
- the ability of landlords to pass on the costs of installation to tenants.

Consideration of the needs of whānau in the South Island

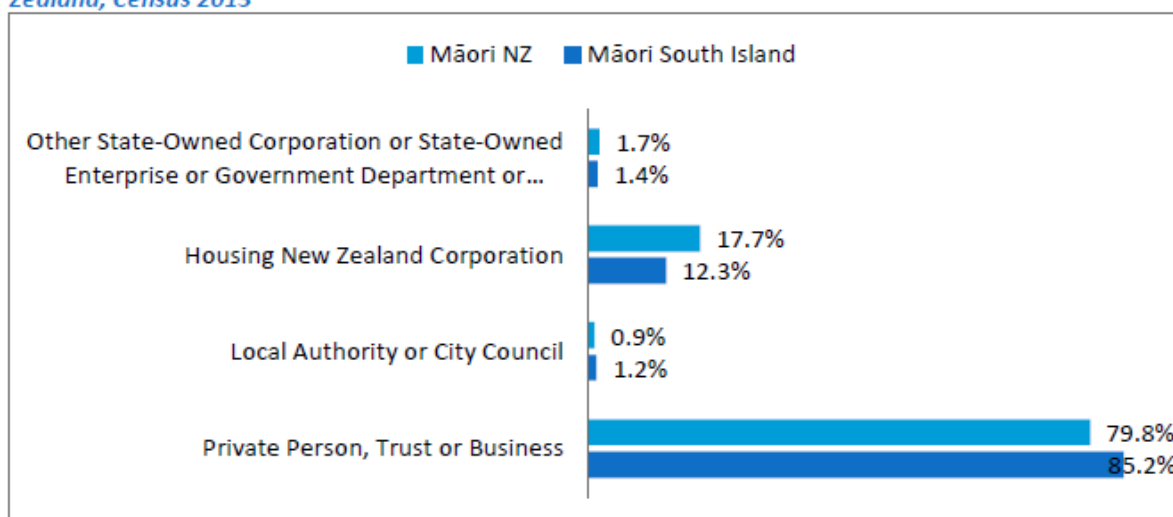
Just under half (47.6%) of Māori living in the South Island do not own the house in which they live, with Māori living in the Nelson region having the highest percentage of those not owning the house in which they live (Census, 2013: figure 23 below). What this means is that approximately 48,000 Māori in the South Island will be impacted by the proposed introduction of the Residential Tenancies Regulations.

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



Of those Māori in the South Island who rent their home, the majority of those are rented from private individuals, trusts or businesses, with only 12.3% of Māori renters in the South Island renting from Housing New Zealand (Census 2013: figure 24).

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



The presentation of the above statistics shows a generalised picture of Māori in the South Island who rent the house in which they live. However, the needs of Māori across the South Island are vastly different. In particular, proposing a standardised rate of insulation for the whole of the South Island (Zone 3) fails to take into account the differing climates of the South Island and the associated insulation needs. The lack of inclusion of moisture barrier in the Zone 3 requirement is of concern, as houses in some areas of the South Island, for example, the Southland area, are particularly susceptible to rising damp.

The ability of landlords to undertake installation themselves

The impacts of well installed insulation can be positive for those living in rental properties, while the impacts of incorrectly or negligently installed insulation can endanger the health and wellbeing of tenants. The Residential Tenancies Regulation Questions and Answers identifies a range of risks associated with the incorrect installation, which could all result in significant damage to the health and wellbeing of tenants, and to the property itself.

It is encouraging to see that installation requirements are being developed with WorkSafe New Zealand in relation to the installation of conductive foil insulation. However, given the detrimental impacts associated even with the installation of ordinary insulation, it is of concern that landlords are able to install the insulation themselves. Introducing the requirement for smoke alarms in all rental properties is undermined if, in the same bill, the fire risk from insulation covering downlights and flues is increased through allowing landlords to install insulation themselves.

Further clarity around how the Ministry of Business, Innovation and Employment will be regulating the installation of insulation by landlords would be useful.

Lack of clarity around how tenants will be advised of the new insulation requirements

It would also be useful for further information to be made available regarding how tenants will be made aware of their rights in relation to these requirements introduced by the Bill. Some individuals and whānau in rental accommodation face barriers to accessing support services and information about their rights.

While the Ministry has indicated that it will run an information campaign regarding the new requirements and practical information on preventing dampness and mould, it is submitted that there is a need for a more practical support service to be provided. For example, if a tenant suspects that insulation has been incorrectly installed, what services will be available to provide checks on the installation and information about the process to address any inadequacies in the installation.

The ability of landlords to pass on the costs of installation to tenants

It is recognised that landlords cannot undertake the costs of installation themselves, and that costs will need to be allocated to tenants. Currently, there is little detail about supports that will be provided to either assist landlords with the costs of installation or ensure that the costs of installation will be passed on to tenants in an equitable and reasonable manner.

The subsidy under the *Warm Up New Zealand: Healthy Homes* programme is only available to a minority group of tenants, and the level of subsidy available varies between regions. The Voluntary Targeted Rates for retrofitting insulation are also only available in some areas. Given the nationwide extent of the changes, it is submitted that a more consistent and nationwide approach to subsidies and other financial supports for landlords is needed.

Furthermore, while section 24 of the Residential Tenancies Act 1986 provides some restrictions on rent increases (including notice requirements and no rent increase within 180 days of the rental commencing), no protections are provided regarding the amount of the increase and how the costs of improvements to a property are to be allocated into the rental price. It is concerning to see a lack consideration by the Ministry to any possible safeguards in

how installation costs will be passed on to tenants, especially given that the Ministry estimates the average costs for retrofitting ceiling and floor insulation to be \$3,400.00. It is submitted that landlords should be provided with information around the possible ways of allocating insulation costs in an equitable, reasonable and long-term manner, in consideration of the legal requirement to install and the long-term positive impacts of the installation.

Finally, in two specific initiative, one in Awarua (Bluff) and the other in Westport (*Te Ha o Kawatiri*), support for home insulation has been particularly targeted within the context of Whānau Ora, while the wider implications of housing safety have relevance for the health and wellbeing of tenants and whānau.

Te Putahitanga is open to any future engagement on the *Proposed Residential Tenancies Regulations for insulation and smoke alarms*, and appreciates the opportunity provided by the Ministry of Business, Innovation and Employment to engage in the consultation process.

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Heoi ano



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