



Three discussions on Solutions to Child Poverty



Resource Two: Housing

Housing: A Resource on Solutions to Child Poverty And Vulnerability

Recommendations of the Children's Commission

- Include housing in the National Infrastructure Plan
- Have a *Warrant of Fitness for Rental Properties* to ensure that all rental accommodation is up to reasonable standards for health and safety.
- Review the Accommodation Supplement and Income Related Rents.
- Extend the Heat Smart insulation subsidy programme for insulation
- Increase the number and quality of subsidised 'Social Housing' – for low-income individuals and families.

Matters for discussion and what we can do

National Infrastructure Plans, Opportunities and Priorities are:

Transport (roads); Telecommunications (extend fast broadband); Energy (improve regulation and support further investments in petroleum and mineral exploration and extraction); Water (improved management of assets and public –private partnerships); Social (funding delivery and involvement of local government).

For details of National Infrastructure and 2013 policy context (See link PIN 2013)

- New Zealand is short of houses. What are the effects and how can this be improved?
- If economic growth is a priority for New Zealand to bring the national accounts out of deficit, how would housing contribute to economic development? and what would be needed for housing to benefit low income families ?

- Are there housing needs in your community? How are parishioners affected by these? Is there any support needed that is appropriate for the parish?
- How fair is it to have Housing NZ tenants moved on because they become able to pay market rents or have more rooms than they need because of family changes? How important is housing stability?

Wesley and Theological reflection

Methodism remained a religious movement seeking the reformation of the established church and the alleviation and amelioration of the effects of the industrial revolution on the poor.

Houses were purchased to look after widows, orphans and others. Schools were founded to provide free education for children and loan societies were created to help people start businesses and pay off debts and become financially self-supporting.

These initiatives to assist those struggling to survive in the industrial revolution were the effect of a theology of compassion. For Wesley, compassion, the care for other's needs, requires action and practical responses (J. Stuart 2008).

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Context and Background

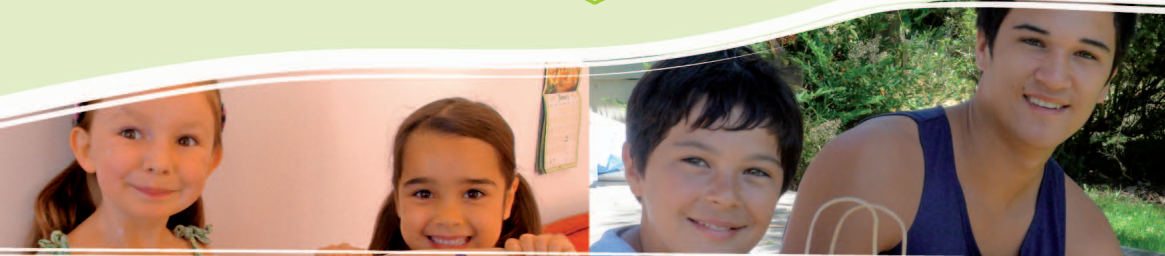
Housing is a cost that keeps many families in poverty and has a major effect on child health. Low incomes mean that too many families are being crowded under one roof and that the living conditions of children are unsafe, unhealthy and stand in the way of learning. Babies and young children are most affected because they spend more time at home.

New Zealand is chronically short of social housing. Home ownership is an unachievable dream for families below the poverty line, so an improved supply of healthy housing at affordable rents is a priority. Private rental houses tend to be low quality, un-insulated and badly maintained. Housing New Zealand houses have issues over quality, type of housing and where they are located. Sometimes they are in isolated areas without public transport, shops, parks and sports grounds and community facilities such as libraries and swimming pools.

This is not to say we should abandon state responsibility for social housing – rather that the quality be improved along and that a commitment to build more houses be renewed.

There is progress on quality improvements from retrofitting, but with some trade-offs. In the Waikato 76 state houses were sold in the year ending June 2013, and replaced with 23 new housing units; so a net loss of 53 houses.

Poor quality housing causes poor health, and these indicate higher chances of adverse life chances for children .



This does not signal a drop in demand; waiting lists for Housing New Zealand houses in the Waikato have over a hundred applicants, at the serious need level (Waikato social housing 2013).

While building costs keep climbing, the cost of a house on its own may not be within the budget of most working people: there are many 'low-cost' house designs from 'low-cost' oriented building firms. It is the cost of land that is the killer for most people. A section is likely to cost as much as the house upon it. Cities and smaller towns give an advantage to people who own land by adding to its value through building a house. Perhaps there is a need for a return of the State Advances Corporation. Co-operative housing opens opportunities for shared investment in housing. As well as sharing financial resources, it also involves contributing to maintenance and management and to membership as a more socialized way of living. There are co-operative initiatives in Christchurch and Auckland where housing need is most critical (See Co-operative Housing links).

Overall 5% of people in Aotearoa NZ live in social housing. When we turn to the situation for Pacific communities and households and for Māori, we see a picture of radical and disproportionate disparity with higher numbers, that is around 29% paying over 30% of their income on rents, and overcrowding.

At a PIN Forum in 2012, on priorities for Child Poverty, housing was a number one. It was noted that the profit interests of landlords undermine social responsibility dimensions of housing. A proposal was made to put a cap on rents – this is proposed as a viable option – a cap on rents is policy in some jurisdictions, including Fiji.



Poor quality housing causes poor health, and these indicate higher chances of adverse life chances for children (Children's Commission Working Paper 18, p. 7). One study showed that out of 100 children admitted to hospital half were children living in poor quality housing, where most of the parents were unable to pay their electricity bill. Half of these admissions were preventable, and in about one third of cases improved housing would have reduced the risk of admission (Children's Commission Working Paper 18 p.12). In economic terms, the average cost of a child's admission to hospital is \$2645.

Housing affordability is measured by the ratio of housing costs to income. Housing is considered to be affordable if a household is spending no more than 30% of their income on housing. By 2009, 27% of households spent more than 30% on housing. In contrast those in the lowest income bracket (bottom 5th of income level) paid 40% on housing, and those with highest income bracket paid less than 20%.

The historical commitments to social housing now face challenges of a negative fiscal environment with an ideology that the market will meet housing needs. Growing inequality as well as ongoing movement of people to urban areas and the rising costs of power add to the pressures of housing costs. The drive for better quality housing and retrofitting are not only significant for health and wellbeing: they are included as important contributions to reducing carbon emissions and climate responsibilities. A new publication on social housing, *Homes People Can Afford*, treats us to solid analysis, international solutions, a vision for social housing along with local innovation (Bierre et al, 2013).

Housing Policy - Accords and budget update

The May 2013 budget housing proposals will not make a significant difference to low income family housing needs. There is public concern about the Accords between local government and central government to provide land for housing, because the Minister may over-ride local government regulations for housing developments. The Social Housing Unit funds remain small compared to housing supply needs, and proposals to transfer state housing to non-government providers are still being investigated. There is concern

about 'reviewable tenancies' because this means Housing NZ families who are paying market rents and who may have more rooms than they are deemed to need, may be moved on. (For details see link NZCCSS, 2013)

Insulation

New Zealand houses are notoriously cold, and a remedy is in retrofitting insulation. A study of the effects of insulation on 1400 low income families in seven parts of New Zealand was done to evaluate the Warm Up New Zealand Heat Smart policy. Children were shown to have less wheezing and fewer days off school. There was reduced hospitalization. The health effects are undisputed; however the cost benefits of retrofitted insulation are in some contention. One larger study showed that benefits outweighed costs by 4:1 (Children's Commission Working Paper No. 18. p 13). Where benefits were not so high it was found that poor quality heating had the adverse effects from poisonous gases from poor quality heaters.

The Healthy Housing Programme showed that for children under 20 years of age in social housing with the Health Housing programme, hospital admissions were reduced by 27%. There were most benefits where overcrowding was reduced, but the Healthy Housing programme includes insulation and heating, as well as social support through links with social services and public health services (Bierre et al 2013, p. 38).

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Moving House

Moving house is a big phenomenon in New Zealand. There is high correspondence between moving house and children's behavioural problems. People are more likely to move from cold damp homes, and renting brings more likelihood of moving.

Pacific Children and Housing

Pacific peoples have historical experiences of housing instability, uncertainty and vulnerability in New Zealand. Until the 1980's Pacific people lived in housing near their work places, such as Gear Meat in Petone and in central Auckland near service industries and wharves. Gentrification has had the effect on Pacific peoples of not being able to afford live in their own communities and then having disrupted and disjointed relocations to low cost housing far removed from work places, familiar schools and churches. Some members of Pacific congregations still travel long distances on Sundays to their traditional church communities, even though they live in other parts of the city.

Children of Pacific families are the most likely to have more than one family in a house, with grandparents, parents and children included in households. In 2006, 43% of Pacific peoples lived in crowded houses and in 2013 30% said their houses were cold, damp, or too small (Tanielu and Johnson, 2013). This translates into a high percentage (approximately 40%) of Pacific children living in deprived housing (Children's Commission 2012).

It is hard to find rental houses for extended family households and it is likely that these families will face discrimination from landlords. All in all, low incomes and housing which does not meet the needs of Pacific households mean that 26% of Pacific peoples live in social housing.



The Vahefonua Matanikolo housing project is a Christian response to the poor and disadvantaged and in being good neighbours.

Crowded housing means more risk of infectious diseases such as skin sores and coughs. Rental accommodation is another part of this story. In 2006 58% of Pacific people lived in rental houses, compared with 33% of other New Zealanders, and Pacific people's home ownership was about half of the rest of New Zealanders.

Vahefonua are leading the way with their Matanikolo housing development. Matanikolo is a Christian response in looking after the poor and disadvantaged, and in being good neighbours. With seven acres of land in Pukekohe, the first step was planting the land to provide food for families. The dream of a housing development is being realized with funds from Housing New Zealand, and the plans include a hall for community activities, rental apartments and twelve units for the elderly. With the asset of land, Vahefonua, Lifewise and Housing New Zealand are working together for housing for Pacific families, who in New Zealand, are more disadvantaged compared to the rest of New Zealand.



Māori Children

Housing need for Māori is underscored by figures such as 29% of Māori spending over 30% of their income on housing, and overcrowding is about four times the rate of Europeans. In New Zealand Māori children are 23 times more likely to get rheumatic fever than Pākehā children. In the North the rates of rheumatic fever have escalated to double what they were in 2005.

The prohibition on building more than one house on Māori land is a discriminatory legal and bank lending policy that stands in the way of Māori initiatives to provide housing on collectively owned land. Banks don't lend on collectively owned land because they are not able to recover the property if there is failure to pay the mortgage.

Te Matapihi is a new voice for Māori housing set up to promote supportive processes for housing strategies for Māori communities. Te Matapihi is working with the Government agencies such as the Department of Building and Housing and the Social Housing Unit to see the building of houses so that more whanau are in their own houses and on Māori land (Te Matapihi). To this end, Māori architect Rau Hoskins opens the window on ventures in Māori housing with a new energy conserving, low cost, tradition-inspired design concept of the 'nano-whare' (Hoskins 2013).

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Canterbury

In Christchurch 7,560 homes have been red-zoned and are therefore unusable for housing. The Children's Commission, as well as Christian agencies have constantly advocated for affordable and social housing to be included in the rebuild plans. Rebuilding brings its own challenges. Accommodation for all the professionals, contractors and workers means a huge influx of people with housing needs, on top of those displaced by Earthquake damage.

Mary Richardson, Director of the Christchurch Methodist Mission, identifies the multiple aspects of rebuilding inclusive communities in Christchurch. There were, and are opportunities for low income housing with social participation as a core focus for the design. Such innovations in housing link to public transport, access to schools and services, and energy conservation.

In reviewing the lost opportunities for greater equity in the Christchurch rebuild, Mary Richardson writes 'we won't prosper long if we favour only the prosperous, because the success of our economy depends not just on the size of our GDP but on the reach of our prosperity' (Richardson 2013, p.119). The 'reach' means jobs with a living wage, and social housing, support for small businesses and public places with parks, libraries and galleries. It is a connected city, not a divided one. This scenario could apply anywhere - it is just that Christchurch had a special opportunity

Auckland

The ever increasing population of Auckland is projected to continue, with the prospect of reaching nearly 2 million by 2031. This will be nearly 40% of the total population of New Zealand.

Solutions

National Infrastructure

The current National Infrastructure Plans do not have housing as part of social infrastructure. Housing development has economic and social advantages. It would raise the priority of addressing the current shortage of houses, as

well as the problems of affordability. Housing shortage is a risk to economic development, and a house building policy would generate employment and therefore stimulate the economy. It would also integrate housing with other areas of infrastructure development including the Christchurch rebuild. It would give access to the \$17 billion infrastructure fund!

Social Housing

Social housing provides a subsidy for housing costs for those with financial or social need. It also involves some arrangements for support for those with social risks and needs. Social housing is vital for low income families. While there are plans for Housing New Zealand to improve the quality of existing state owned houses, there are no plans to replace houses and expand the supply. And there is no doubt that supply is the core issue for housing shortage.

Central government is seeking collaboration with local government and with NGO's along the lines of public-private partnership model. The Vahefonua Matanikolo project demonstrates what can be achieved through collaboration, and perseverance.

More investment in social housing is a way to reduce poverty; with snowball effects on health and education. Housing New Zealand takes a management approach rather than social support, and has plans for the community housing sector to take over some of the public responsibility for housing. Community housing agencies bring a social support approach to tenancy management which brings extra care to families in social housing. Proposals for the transfer of social housing to the community sector are in process.



Income Related Rents and Accommodation Supplement

Income related rents apply to those in State housing, with a formula to keep rents at 30% of income. In contrast, the Accommodation Supplement is paid as a subsidy to those renting on the private market, and having to pay market rents. It is based on income. Many say that the Accommodation Supplement is effectively a subsidy to landlords, because their primary interest is income or profit. Their interest is not in the social responsibility to provide housing. The Accommodation Supplement and needs to be revised in ways that provide additional support to families with children.

Concluding note

Pressures of housing need are one of the most important issues to solve to reduce the impacts of poverty. Warm, secure affordable housing reduces the hardship of low incomes and has beneficial effects for health and education.

Even in a context of financial stringency, investment in housing is an investment in job creation and in meeting housing needs. Solutions lie in strengthened state commitments with policy settings to facilitate collaboration between the State housing agencies, local councils and the community housing sector. Improvements in housing quality with incentives to insulate houses need to sit alongside increasing the supply of houses, appropriate to the needs of families, whanau and cultural family arrangements.

For addressing the hard issue of supply to meet to the critical issue of housing shortage, there is at present no substantive government policy for meeting the need for low income housing and for social housing.



The Accords with local governments are more oriented to prospects for developers through opening more land for development. Proposals to hand over social housing provision to NGO are still in process. Meanwhile a few answers are to be found emerging in communities joining up for collaborative ventures.

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Co-operative Housing links:

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Auckland, www.auckanglican.org.nz/?sid=785;
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