

The New Zealand Productivity Commission  
Te Kōmihana Whai Hua o Aotearoa  
Level 15 Fujitsu Tower  
141 The Terrace  
Wellington 6011

27 August 2021

RE: Terms of Reference “A fair chance for all: Breaking the disadvantage cycle”

Thank you for the opportunity to offer our views on the Terms of Reference for the “A fair chance for all: Breaking the disadvantage cycle” inquiry (‘the Inquiry’). We strongly support the Productivity Commission identifying the causes of and solutions to persistent disadvantage and we are eager to support the Inquiry on behalf of our members wherever our expertise is best utilised.

To enable a fair chance for all, homes must be safe, secure, affordable, habitable, accessible, culturally adequate, and otherwise appropriate. A fair chance means that people experiencing unfair outcomes or breaches of human or statutory rights should have access to justice, to claim their fair opportunity or their right. We strongly urge you to include housing as a central tenet in the Inquiry with additional emphases on the affordability and accessibility of homes to historically disadvantaged groups such as Māori, Pasifika, disabled New Zealanders and other groups who face additional barriers to realising their human right to a decent home.

1. Community Housing Aotearoa-Ngā Wharerau o Aotearoa (CHA) is an Incorporated Society and a peak body for the community housing sector. In order to achieve our vision of ‘all New Zealanders well-housed’, we have a strategic focus on supporting a well-functioning housing system and working toward the realisation of the right to housing. We are also mindful of the larger institutional and regulatory settings within which our members and other community organisations operate. We are keen to ensure these settings support the delivery of homes affordable to households of varying income levels.
2. Our 75 provider members provide homes for nearly 30,000 kiwis nationally across 18,520 homes, and our 30 partner members include developers, consultants, and local councils. Community Housing Providers (CHPs) are primarily not for dividend entities that develop, own, and manage social and affordable housing stock, with rental and progressive homeownership tenure offerings. We work closely with Te Matapihi, which represents Iwi-based and Māori community housing providers. More about us can be found [here](#).
3. *Wellbeing and Housing* - The relationship between wellbeing and housing is one which cannot be overstated nor ignored. Having a safe, secure, and affordable place to call “home” lies at the heart of wellbeing and contributes to mana āheinga, mana whanake, mana tuku iho, and mana tautuutu. The Productivity Commission will use He Awa Wairoa and these four aspects of mana to frame wellbeing in the Inquiry (2021). CHA submits that housing should occupy a central component of any wellbeing or disadvantage analysis, but this submission offers some more specific areas for inclusion in the Inquiry’s Terms of Reference. Special consideration should be given to the unique effects on wellbeing and persistent disadvantage that are associated with various tenure types. The differences in outcomes between forms of ownership equity and renting in Aotearoa are significant and need to be considered by the Inquiry. Despite recent tenancy law reforms, renters have no

comparable agency or control of their home when compared to owners, diminishing their security of tenure, feelings of connection to their community, and mana tautuutu (rights, obligations and participation in strong communities). A more fulsome discussion of the disparities in wellbeing, the ability to realize human rights, and the ability to accrue an asset base between renters and homeowners can be found in the CEO Sector Leaders Forum’s submission on the Ministry of Housing and Urban Development’s Government Policy Statement which can be found [here](#).

4. *Upholding Te Tiriti; promoting Māori outcomes through the Crown–Māori relationship; recognition of historic marginalisation* - Any discussion of persistent disadvantage and housing in Aotearoa must reflect Te Tiriti and the history of colonial dispossession of Māori land by the Crown. The Inquiry should acknowledge how Crown policies have been complicit in and have contributed to persistent disadvantage for Māori and in housing being made disproportionately inaccessible to Māori. We submit that the evidence and recommendations which come out of the Wai-2750 Kaupapa Inquiry into Housing Policy and Services should inform the Inquiry’s Terms of Reference or the Inquiry itself.
5. *Increasing Housing Costs and Mana Āheinga* - The Consultation Document released by the Productivity Commission for the Inquiry recognises “the numbers of working age households spending more than 30% of their income on housing (the level that is generally considered “affordable”) has trebled since the late 1980’s” (2021). Housing affordability stress continues to be a pervasive issue for hundreds of thousands of whānau despite billions of dollars being funnelled into the Accommodation Supplement and other interventions every year (Saville-Smith & Mitchell, 2020). With housing costs increasingly constituting a greater portion of household incomes – especially for low-income whānau – necessities and opportunities which contribute to wellbeing are being sacrificed. Furthermore, housing costs have been a primary driver of inequality and persistent disadvantage in Aotearoa, demonstrating that the two concepts cannot be disentangled (see Appendix 1). We recommend the Terms of Reference ensures scope for the Inquiry to examine the efficacy of system interventions (such as the Accommodation Supplement) and surface robust policy alternatives which more effectively address material hardship and enable mana āheinga (the capability to decide one’s aspirations and realise them in the context of their own circumstances).
6. *Review the Community Housing Sector’s Funding Settings* - The Inquiry should also examine affordable housing funding models for the community, iwi and Māori housing sector in addition to household subsidies provided through the Accommodation Supplement. Community housing providers offer a range of tenure options to assist tens of thousands of people out of housing affordability stress, however, the current siloed funding environment can make sector growth difficult. CHA submits that an examination of the community housing sector’s current funding environment would be beneficial in fully utilising public funds alongside sector capital to maximise overall contributions to whānau wellbeing. The Public Housing Funding Review report by KMPG (2020) commissioned by the Ministry of Housing & Urban Development provides a good starting point for this work.
7. *Homeownership and Mana Whanake* - Homeownership is a launchpad for mana whanake (growing sustainable, intergenerational prosperity) but with homeownership rates at record lows - especially among Māori and also Pasifika communities - it is being increasingly isolated in the hands of the few. The 2019 Welfare Expert Advisory Group report found “the housing crisis is also contributing to the growth in inequality in Aotearoa by denying low-income families the only chance most have of acquiring an asset base.” (2019, p. 120) Progressive Homeownership schemes (PHO)

administered by community, iwi and Māori organisations are making homeownership a reality for a number of whānau priced out of the private/open market. CHA recommends the Terms of Reference provide scope for a thorough analysis of PHO schemes including any latent capacity that could be realised under different funding models to assist the growth of mana whanake for more whānau living in contexts of persistent disadvantage. This includes promoting investment in the development of a range of homeownership products including shared equity and rent-to-buy options in the community and private sectors, to enable genuine housing security and an increase in wealth equality (Waldegrave, 2021).

8. *Accessible, Affordable Homes for Aotearoa's Disabled Community* - Aotearoa's disabled community face additional barriers and costs to securing affordable and accessible homes. With universal design still far from universal in Aotearoa, the pool of viable properties for those with accessibility needs is severely limited and accessibility is still marginalised even in our biggest public housing development programmes (Kāinga Ora, 2019). The unfair burdens placed on the disabled community in access to paid work and access to benefits constitute systemic and structural contributions to holding the disabled community in contexts of persistent disadvantage (Kiro et al., 2019). The Productivity Commission should include housing accessibility and unaffordability through the lens of the unique challenges faced by disabled kiwis in the Inquiry's Terms of Reference.
9. *Poor Quality Rental Homes and Health Outcomes* - Aotearoa's poor quality housing results in starkly negative health outcomes particularly for renters as compared to homeowners. Owner-occupied dwellings are consistently healthier than their tenanted counterparts, resulting in higher rates of preventable illness and greater healthcare usage by renters. The Inquiry is well placed to further examine if the recent Healthy Homes regulations have been effective in improving the physical wellbeing of tenants, provide potential recommendations to improve the regulations, or consider additional interventions which could improve the quality of rental homes. Many preventable illnesses associated with low quality housing – especially when contracted young - have lifelong consequences requiring additional resource to achieve mana āheinga. Persistent disadvantage experienced by Māori and others is unquestionably underscored by the theme of preventable illnesses negatively impacting future and long-term quality of life.
10. *Homelessness, Rangatahi Youth Homelessness, and Services* - The many failures of Aotearoa's housing system have especially compounded for the 42,000 people in Aotearoa currently experiencing homelessness (Stats New Zealand, 2020). Despite Aotearoa's homeless population being referred to as "hard-to-reach", recent research suggests people experiencing homelessness have more interactions with government services than the general population (Pierse et al., 2019). The Productivity Commission should include in the Inquiry's Terms of Reference an analysis of homelessness in Aotearoa, the associated costs on government services, and how such costs could be offset and invested into permanent housing solutions and community-led programmes such as Housing First. These solutions and programmes should meet the unique needs of the estimated 50% of Aotearoa's homeless population who are under 25 (with 25% being children), many of whom began experiencing homelessness upon leaving state care (Amore, 2016). The Covid-19 epidemic has exacerbated these trends in rangatahi and youth homelessness with reports from June 2020 suggesting there were 1,800 16-24 year olds (56% being Māori rangatahi youth) in motel accommodation without any support (Turner, 2021). Bespoke youth homeless options are essential to include in the Inquiry's Terms of Reference.

11. *Human Rights* - The failures we experience in our housing system are also underpinned by the absence of human rights in our domestic legislation. Various New Zealand governments have entered into a number of international human rights agreements that promise the right to a decent home, and successive governments have failed to secure those rights in domestic legislation. As such, there remains an absence of explicit human rights structures and practices in our law and across our public sector. We believe this has contributed to the housing system inequities described above, despite the agreements we've signed up to on the world stage. Without the ability to access judicial frameworks in relation to housing and with housing policy subject to frequent political change, there is no way for New Zealanders to claim the contents of the rights promised. Therefore, we recommend that the Inquiry considers the roles that human rights could play in supporting the emergence of constructive accountability, access to justice, and higher levels of participatory democracy across housing and wellbeing. Specifically, we recommend the Inquiry examines how the incorporation of Aotearoa's multifaceted international human rights agreements and obligations into domestic legislation would mitigate and reduce persistent disadvantage and the associated inaccessibility of housing.
12. *Implementation of Recommendations* - Lastly, CHA recommends that the Inquiry includes a thorough explanation of how its recommendations can be implemented. CHA notes that reports such as the 2019 Welfare Expert Advisory Group report, the 2010 Housing Shareholders Advisory Group, and He Whare Āhuru He Oranga Tāngata – The Māori Housing Strategy 2014 have all produced impactful recommendations but are yet to be implemented in a consistent manner. The Productivity Commission should include in the Inquiry's Terms of Reference an analysis of the breadth of research, international agreements, and the recommendations of previous inquiries which could be reemphasized to break the cycle of good recommendations floundering.

Specifically, CHA believes it would be beneficial to **include a roadmap** for the implementation of the recommendations within the Terms of Reference to ensure the Inquiry results in substantive, widespread adoption. This also has the benefit of assisting organisations such as ourselves to keep our members updated and engaged with the process in a clear, staged way.

CHA thanks the Productivity Commission for bringing forward this opportunity to consult on the Inquiry while it is in its formative stage and we re-state our commitment to engaging on Inquiry's discovery and development phase where it would be beneficial to the Commission – please get in touch with me at any stage.

Ngā mihi,

Vic Crockford, CEO

**Endorsed by**

<b>Name</b>	<b>Role</b>	<b>Organisation</b>
Susan Jenkins	Executive Officer	Abbeyfield New Zealand Incorporated
Lisa Woolley	Te Tumu Whakarae - CEO	Visionwest
Hope Simonsen	National Manager Housing	Emerge Aotearoa Housing Trust
Garry Moore	Co-Chair	CEO and Sector Leaders Forum
Rangimahora Reddy	CEO	Rauawaawa Kaumatua Charitable Trust
Ian McComb	Director	Small Time Developments Ltd
Bev James	Chair	Marlborough Sustainable Housing Trust
David Hanna	Director	Wesley Community Action
Paul Gilbert	General Manager	Community Finance
Carrie Mozena	Director	Nelson Tasman Housing Trust
Rawinia Lewis		K3 Kahungunu Property
Bernie Smith	CEO	Monte Cecilia
Julie Scott	Executive Officer	Queenstown Lakes Community Housing Trust

**Appendix 1:** (Figenshow & Saville-Smith, 2021, p. 308)

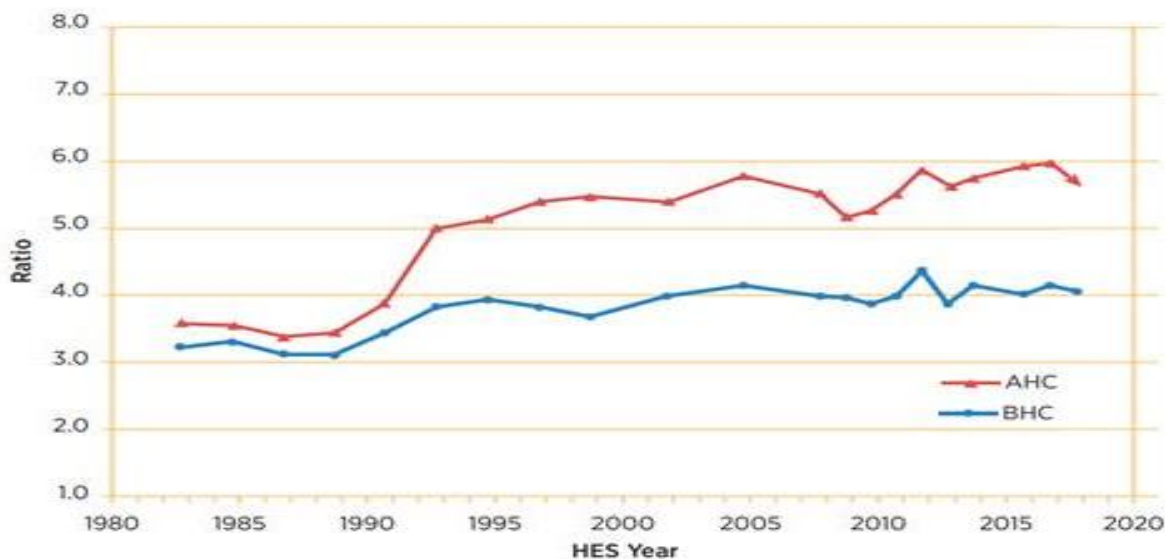


Figure 18.6: Income inequality in New Zealand: ratio of after housing costs (AHC) and before housing costs (BHC), Household Economic Survey years 1982–2017. Source: Perry 2017.

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