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## HOME AND HOUSED: A VISION FOR SOCIAL HOUSING IN NEW ZEALAND

The Methodist Mission is the social service arm of Te Haahi Weteriana O Aotearoa, the Methodist Church of New Zealand in Otago and Southland. We have been providing social services and advocating for social justice for over 120 years. In our last financial year the Mission assisted 5542 people with a wide range of social service needs. The Mission offers the following responses to *Home and Housed*:

1. It is concerning that the vision statement makes no mention of why social housing is needed, but instead focuses on management mechanisms. The **Right to Housing** is codified in the United Nations General Assembly's 1948 Universal Declaration of Human Rights (article 25 (1)):

*Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, **housing** and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*

The Right to Housing is comprised Article 11 of the International Covenant on Economic, Social and Cultural Rights signed and ratified by New Zealand:

*States parties "recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and **housing**, and to the continuous improvement of living conditions". The human right to adequate housing, which is thus derived from the right to an adequate standard of living, is of central importance for the enjoyment of all economic, social and cultural rights.*

It is also explicitly referred to in the European Social Charter, the Revised European Social Charter, and alluded to in the African Charter on Human and People's Rights, suggesting strongly that this is indeed a universal human right, and one that moreover, **New Zealand is committed to** upholding.

**Recommendation 1: That the vision be amended to acknowledge and prioritise above any management mechanisms the human right to housing.**

2. Having recognised the Right to Housing, the Mission expects that the Group's emphasis on comparative needs (in the vision) would be supplanted by a recognition that there are those in society able to secure appropriate housing and those that are not, and that those that are not able are **entitled to state support** toward this end.
3. It is alarming that before any consideration is given to the **lack of forecasting** tools in the current social housing "market" (4); recognition of the central role housing has to play in **long-term social issues** (5); or exploration of the **risks of commercialising** of public good activities (6), the report leaps directly to curtailing the Crown's involvement and increasing private sector participation.

4. The Mission is not aware of any coherent short, medium, or long-range forecasting undertaken across the social housing sector in New Zealand. The Mission contends that such forecasting is the only way to adequately management the inherent illiquidity of social housing stock.

It appears that the Group expects that some form of **“invisible hand”** will drive the availability of appropriate stock, which pragmatically means that private sector organisations will effectively bear the costs on Government’s behalf. At the very least this is likely to lower the quality of stock as landlords hedge against demographic changes.

**Recommendation 2: That the Group give serious consideration to the creation and implementation of short, medium, and long range forecasting for the sector, and any dissemination or coordination mechanism need to ensure the sector is informed by these forecasts.**

5. The Mission notes Professor Sir Peter Gluckman’s 2010 “Improving the transition: reducing social and psychological morbidity” report to the Prime Minister said:

*Prosociality in young people is affected by neighbourhood quality (independent of income). Improving neighbourhood quality through diverse measures may provide positive results.*

The Mission notes further the Government’s 2009 “Drivers of Crime” project reports that:

*Services needed to be provided in conjunction with a more complete set of interventions for many of these people that address housing, work and income, relationships, and education needs. And drivers of crime included clustering of Housing New Zealand homes ...*

While the Group appears to understand that social housing tenants have inter-related issues that require support to be resolved, the **contribution** of housing toward those issues does not appear to be acknowledged.

The Mission also reminds the Group, as it proposes opening up of planning constraints on development, of the catastrophic failure of council housing estates in the United Kingdom from the early 1960’s onwards, in particular the creation of single-decile suburbs that effectively acted as **urban prisons**.

**Recommendation 3: That the Group gives serious consideration to acknowledging and addressing how the quality (8), nature, and placement of social housing contribute to social outcomes.**

**Recommendation 4: That the Group recommend the future avoidance, and breaking up of existing, single-decile social housing suburbs; and identifies mechanisms by which this can occur.**

6. The Mission notes the failure of the commercialisation of the New Zealand electricity market in the 1990s, privatisation of household water supply in the United Kingdom in the 1980s, and British Rail in the 2000’s and sees that there are some public good activities that are unsuited to large scale commercialisation and others with which great care must be taken.

In particular the argument that the profit motive drives market efficiencies must be taken with some care, as it can equally drive a **significant lowering of quality** (as above) or where there is price inelasticity, **drive prices up**.

Where the funder and consumer are two separate roles, as in social housing, it is to be expected that a lowering of social housing quality amongst private landlords could be expected (in the absence of any quality assurance mechanism, addressed below in 8).

Where there is a government subsidy available, such as the Accommodation Supplement, it is to be expected that private landlords will charge to the limit of that allowance, dulling competition on price, and resulting in **artificially high rents**.

**Recommendation 5: That the Group undertake an exploration of the nature of the social housing market and identify risk management strategies for addressing inappropriate expressions of the profit motive.**

7. In addressing the “state house for life” policy, the Group appears to assume that social housing needs have a short-term relief profile similar to the Domestic Purposes Benefit. Whilst this is undoubtedly true for a proportion of social housing tenants, it is **not true of all**.

Tenants with substantial disability or lack of social, emotional, or psychological capacity, are more likely to need long-term social housing support. Moreover it is that proportion of tenants who will experience any actual, implied or threatened loss of life tenure as anxiety-inducing, thereby raising their needs for social service support.

**Recommendation 6: That the Group assess, and forecast, the proportion of social housing tenants with short, medium, and long-term social housing needs, and accommodate this analysis in its findings.**

**Recommendation 7: That the Group provide for a mechanism to secure tenancy for those with long-term social housing needs, in order to reduce the likelihood of compounding those tenants’ social service needs.**

8. In its discussions of private sector provision, the Group makes no mention of quality assurance of housing stock. Currently HNZC addresses this issue through internal management mechanisms, but there is currently **no quality assurance mechanism for privately held social housing**, despite Government subsidising much of the not-for-profit provision (through contract and grant funding of NGO groups) and the low-decile rental market (through the Accommodation Supplement).

The Mission believes the taxpayer is entitled to know that any funds are going toward social housing will not be of sufficient standard that poor health, crime, and other negative social outcomes are effectively ameliorated.

The Mission does wonder if the enthusiasm amongst for-profit landlords for access to the social housing market might wane in the face of the costs of an accreditation and monitoring system, but advises the Group that it is **inappropriate to sacrifice** the quality of housing stock simply to meet the profit motive, and it is **unreasonable to expect** the taxpayer to take for-profit providers at their “word”. This has not worked with real estate agents, financial advice providers, or any one of a host of other industries. It will not work in social housing.

**Recommendation 8: That the Group articulates the nature, extent and probable costs of a Quality Assurance system for social housing.**

9. The Mission notes the nomination of Work and Income as the allocation body. Thomas Edison once said that *there is no expedient to which a man will not go to avoid the labor of thinking*, and as Work and Income is the Government’s service arm for allocating other entitlements, the Mission is concerned that this nomination is simply expediency, rather than evidence of any genuine analysis, at work.

There is a considerable and growing research-derived evidence, pointing to the effectiveness of **strengths-based approaches** in engaging with high needs, hard to reach, or other individuals and families seeking to escape poor life outcomes.

This has been most recently acknowledged by Family and Community Services (of the Ministry of Social Development) by its adoption and endorsement of Results Based Accountability, and Client-Directed, Outcome-Informed evaluation and monitoring systems.

Work and Income, however, continue to utilise a **deficit-centred methodology**, focussed on short-term problem solving, and routinely “incentivising” their clients into choices their clients might not otherwise make.

There is valid criticism within the social work, psychology, and anthropology disciplines of the kind of short-term outcomes sought by Work and Income and the benefits of coercive engagement. The Mission notes that the New Scientist reported (6 March 2010, page 43) that:

*Social psychologists have shown that pressuring people to change their minds often produces precisely the opposite of the desired effect: it makes them more resistant to change.*

It is therefore probable that some individuals in need of social housing support would have their access to such support inhibited by having to engage with Work and Income. The Mission contends that this would present an effective barrier to their **Right to Housing**.

Whilst the broader remit of this argument lies outside the Group’s brief, it is to be hoped that the Group will recognise the risks to social housing tenant’s long-term chances of reducing their need of housing support with Work and Income as the allocation body.

**Recommendation 9: That the Group consider the collected needs of social housing tenants and consider allocation models and managers most able to address those, OR**

**Specifically provide for the creation of independent Housing Rights Teams to support tenants to secure their entitlements.**

10. The report provides no acknowledgement of the vulnerability of Local Territorial Authority (LTA) social housing to electoral change, change which by its nature is unlikely to ever be subject to the kind of multi-party accord that social housing needs in order to be stable. (We refer the Group to last year’s **High Court reversal** of the Christchurch City Council’s proposal to raise rents by over 20%, as a recent example.)

This is a substantial weakness in the report, and suggests that the reports conclusions may be based on superficial or false assumptions about provider behaviour.

As New Zealand does not have the economies of scale or population concentrations (outside Auckland) for the creation of substantial private providers other than LTAs, the **lack of analysis** of LTA interests, behaviours, and tolerances in social housing is concerning.

**Recommendation 10: That the Group undertake an analysis of the interests, behaviours and tolerances of Local Territorial Authority investors in Social Housing toward a better appreciation of supply side dynamics in social housing market.**

In summary, the “Vision” provided by the Group fails to satisfactorily address or take account of:

- The Universal Human Right to Housing;
- The impact that forecasting could have on the management issues identified by the report;
- The role housing plays in other significant social issues;
- Current Government initiatives in some of those social issues;
- International evidence of the failure of mass social housing developments;
- The risks of commercialisation of public good activities;
- The different profiles of those in need of social housing support, in particular those with permanent disability;
- Quality assurance mechanisms for social housing stock in the private sector;

- Inhibiting factors associated with Work and Income's profile;
- Any advocacy support that might be required to ensure full entitlement is achieved;
- The substantial market share held by LTAs and the political vulnerabilities of LTA engagement in social housing.

The "Vision" is demonstrably not yet at a satisfactory standard for any kind of implementation to be seriously considered, and must undergo further, more rigorous work.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Laura Black', with a stylized flourish at the end.

Laura Black  
**Chief Executive**