

Thematic snapshot report to the UN Committee on the Rights of the Child:

INADEQUATE HOUSING IN NEW ZEALAND & ITS IMPACT ON CHILDREN. 2016



**NEW ZEALAND HUMAN RIGHTS COMMISSION &
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**Thematic snapshot report to the UN Committee on the Rights of the Child: Inadequate Housing in
New Zealand and its impact on children.**

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and
Human Rights Commission**

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Whatungarongaro te tangata, Toitu te whenua

People come and go The land remains

INTRODUCTION

1. The prevalence of New Zealand children living in substandard housing conditions has developed into a major public health and children's rights issue, with multiple effects on the health and wellbeing of children.ⁱ This supplementary thematic report identifies key areas of concern and suggests a number of recommendations intended to bring about substantive improvement for affected children.
2. Many children live in cold, damp homes. This contributes to a greater burden of disease and poorer outcomes, particularly amongst those who live in lower-income households, amongst one parent families of all ethnicities, and Māori and Pacific children.ⁱⁱ The 2016 *Families and Whānau Status report* produced by the Social Policy and Evaluation Unit (SUPERU) has found that improving well-being for children aged under 18 requires a policy focus on the economic security and housing of single parent families of all ethnicities (72% of the single parents being women) and of Māori, Pacific and Asian two parent familiesⁱⁱⁱ
3. The causes for the current situation are multi-faceted. Housing supply, rising property prices and rents in urban centres, an outdated regulatory framework governing housing quality and security of tenure for private tenants, and income poverty are all contributory factors. Successive governments have implemented a range of policy measures in an attempt to address the issue. However, to date, a comprehensive plan that co-ordinates the various policy measures has not been developed. If New Zealand is to meet its human rights commitment under the UN SDG Agenda to ensure that all New Zealanders live in adequate housing by 2030, such a plan is essential.

THE KEY ISSUES

Housing quality

4. Of the approximately 300,000 children who live in poverty in New Zealand, around 70% live in private rental accommodation, which is often of poorer quality, and is insufficiently regulated.^{iv} In 2006, more than half of the severely deprived housing population was younger

than 25 years, and half of these were children under 15 years.^v Many New Zealand dwellings are colder than the minimum indoor temperature recommended by the World Health Organization (WHO), and are damp, and mouldy.^{vi} This is largely due to insufficient insulation (about two-thirds of NZ dwellings are un-insulated) and inadequate heating and ventilation.^{vii} The link between cold, damp and mouldy housing and poor health has been highlighted in several NZ and international studies.^{viiiixxiixiiixivxv} Last year, a NZ coroner ruled that cold, damp conditions in a state-owned rental property could not be discounted as contributing to the death of a two-year-old child.^{xvi} In response, the Government announced minimum standards for rental housing, including a new requirement for smoke alarms in all residential properties, and new requirements for ceiling and underfloor insulation (where possible) to be phased in between 2016 and 2019.^{xvii}

5. Current regulations regarding rental housing quality were last amended in 1947, and provide tenants with a right to a dwelling in “a reasonable state of repair”.^{xviii} However, there can be disincentives to pursuing such cases and the term “a reasonable state of repair” is not consistently interpreted. In addition to regulation of the *Residential Tenancies Act 1947*, the *Health Act 1956* gives local authorities powers to require important housing –related illness and injury hazards to be remedied. However, these provisions are not enforced, and a definition of acceptable housing is not made explicit in the Act.^{xix} Newly built dwellings or upgrades to existing dwellings in NZ must comply with the Building Code, but this does not apply to existing buildings and most rental properties are not new builds.
6. The success of the Warm Up New Zealand home insulation funding programmes demonstrates that targeted initiatives can result in significant improvements to wellbeing. Since its inception in July 2009, the initiative has resulted in 292,000 homes being retrofitted with ceiling and underfloor insulation. A 2011/2012 evaluation of the programme found significant benefits from reduced hospitalisations, pharmaceutical costs and reduced mortality for elderly people. Further analysis found that hospitalisation rates for children in low income households were reduced by 12 per cent, and in rentals by 19 per cent^{xx}. A further analysis estimated a cost-benefit ratio for the programme of 6:1^{xxi}.
7. However, notwithstanding the progress achieved by the programme, significant numbers of New Zealand homes are inadequately insulated. The Energy Efficiency and Conservation Authority (EECA) estimates that 600,000 houses have no or inadequate ceiling or underfloor insulation of which 300,000 are low income households. Insulating all of these properties would result in total benefits of approximately \$9 billion over the 30-year lifetime of those retrofits^{xxii}.
8. One approach to improve the quality of rental housing in NZ is to introduce minimum standards for housing in the form of a rental warrant of fitness (WOF), that is more extensive than the government’s recently-announced minimum standards. The rental WOF, tested in a pilot study by researchers at *He Kainga Oranga*/Housing and Health Research Programme and five city councils^{xxiii}, focuses on features that are supported by evidence to improve occupants’ health status^{xxivxxv}, reduce school absences and lost productivity by caregivers^{xxvi}, lead to greater household energy efficiency^{xxvii}, and reduce unintentional injury in the home^{xxviii}. There

is good evidence to support the introduction of comprehensive rental housing standards to improve health, safety and energy efficiency. A NZ study reported that people who lived in the poorest quality houses would have a 33% reduction in respiratory symptoms if they lived in the best performing houses.^{xxxix} Furthermore, energy inefficient housing, low incomes, and high electricity prices increase fuel poverty.^{xxx} For children, fuel poverty is associated with: reduced calorific intake in winter^{xxxi}; increased risk of under-nutrition, being overweight, or acute hospitalisation^{xxxii}; poorer health and developmental outcomes for children under three years^{xxxiii}; and the risk of mental health problems and increased antisocial behaviour among adolescents^{xxxiv}.

Security of Tenure and Affordability

9. Currently, legal security of tenure for residential accommodation is provided under the Residential Tenancies Act 1986. The RTA enables landlords to evict tenants without reason, so long as due notice (42 days) is provided. It does not contain a provision or mechanism that establishes a differential security of tenure for households with dependent children. This is a significant issue for poor families, a large majority of whom reside in private rental accommodation^{xxxv}. In addition, growth in private rental accommodation has far outstripped supply of social housing. Of the 114,000 new rental accommodation units that have been introduced into New Zealand's housing stock between 2004 and 2014, just 3000 were social housing units.^{xxxvi}
10. Housing affordability, both in terms of ownership and renting, has been an issue of social concern in New Zealand for a number of years. The Government currently spends around \$1.9 billion per year on housing subsidies, in the form of the accommodation supplement (approx. \$1.14 billion) and in subsidies paid to Housing New Zealand to cover income-related (below market) rents for state housing tenants (over \$700 million). Notwithstanding the scale of government spending in this area, the Productivity Commission's 2012 Housing Affordability Inquiry highlighted concern around affordability for renters and noted 'that the current approach to social housing in New Zealand will not provide sufficient support for many New Zealanders in need'. Despite the increasing unaffordability of home ownership, evidence indicates that tenant households face more significant affordability barriers. The 2014 Household Economic Survey reported that 44% of tenant households spend more than 25% of their income on housing and 22% spend more than 40% of household income on housing. These proportions have changed little over the past six years. By comparison, of owner-occupier households only 20% spent more than 25% of their income on housing and just 8% spent more than 40% of their income^{xxxvii}.

Severe housing deprivation

11. Severe housing deprivation refers to people living in severely inadequate housing or rough sleeping, through being unable to access a dwelling to rent or buy. Minimally adequate housing provides the basics in at least two dimensions of housing adequacy: habitability; privacy and control; and security of tenure. As noted earlier, on the night of the 2006 Census, 34,000 people were living in severe housing deprivation. Over half of these people were under 25, and half of those were children under the age of 15. 65 percent of severely housing

deprived people were sharing with others, usually extended family, in severely crowded permanent private dwellings; 18 percent were living in commercial accommodation (such as boarding houses or camping grounds) or marae; 15 percent were living on the street or in improvised or mobile dwellings. Only 2 percent were living in emergency accommodation (such as night shelters or women's refuges).^{xxxviii} By 2013, the severely deprived housing population had risen 17%, to over 40,000, with similar proportions of children and young people experiencing severe housing deprivation.^{xxxix} Insecure housing exacerbates ill health, and is associated with poorer educational outcomes for children, as they may have to shift schools frequently, have more days off school, and lack an appropriate space in which to do homework.

12. Overcrowding, a symptom of severe housing deprivation, is disproportionately spread across age, ethnic and socio-economic lines. Data from the 2013 Census indicates that over half of New Zealand's 72,124 crowded households (representing about 10 percent of the population) have two or more children (at least one child aged between 5 and 14 years) living in them. The 2013 Census data also indicated that 38% of Pacific people, 20% of Māori and 18% of Asian people live in crowded households, compared to 4% of Europeans. Furthermore, of those New Zealanders who live in crowded households, approximately 35,000 (9%) live in households that do not use any form of heating in their houses. The highest percentage (16%) is in the Counties Manukau DHB region, where 14,100 people living in crowded households use no heating. This region, home to many of New Zealand's most economically deprived urban communities, also experienced a 9% increase in overcrowding in the period between the 2006 and 2013 Census surveys^{xl}.

HUMAN RIGHTS SOLUTIONS

The 2030 UN Agenda for Sustainable Development

13. In 2015 New Zealand agreed to the 2030 UN Agenda for Sustainable Development (the SDG Agenda). This SDG Agenda is an international plan of action built upon the three dimensions of sustainable development: economic, social and environmental. It contains 17 integrated and indivisible Sustainable Development Goals, against which targets are set for realisation by the year 2030.
14. The SD Goal 11.1 establishes a target that requires the New Zealand Government to realise access to adequate, safe and affordable housing for all people by the year 2030. The SDG indicator required to measure the target is the proportion of the urban population living in inadequate housing^{xli}, within the terms of the aspects of the right to adequate housing as defined by the UN Committee on Economic, Social and Cultural Rights^{xlii}.
15. In welcoming the SDG Agenda, the New Zealand Minister for State Services stated that *"if the SDGs are to be more than a piece of paper, we need to have a clear plan, identify actions, build ownership, and measure results. And in doing so, we must avoid the trap of mistaking activity for achievement"*^{xliii}.

16. Therein lies an important opportunity to include, under the auspices of a high level SDG implementation plan, a comprehensive housing strategy aimed at realising the 2030 SDG target. Such a plan has the potential to lead to significant improvements for the health and well-being of New Zealand children.
17. The plan should also contain a detailed analysis of the current data relating to adequate housing disaggregated by each potentially vulnerable population group. It should also contain the policy measures to be undertaken to close those gaps. Ideally, the plan will be endorsed by the Parliament.

The UN Guiding Principles on Business and Human Rights

18. Another crucial recent development is the unanimous adoption of the United Nations Guiding Principles on Business and Human Rights (the UNGPs). The UNGPs set out a non-binding international framework designed to ensure that human rights are protected, respected and enforced in private business activities and in matters where the role and duties of the state and the activities of private enterprise intersect.
19. The UNGPs set the authoritative standard on business and human rights and have particular application to housing policy and legislation, as they engage both the delivery of social housing by private providers on behalf of central and local government and the provision of private rental accommodation by individual landlords and businesses.
20. The UNGPs therefore ought to be reflected in the procurement and commissioning arrangements that govern the provision of social housing by private or non-government providers on behalf of government. They should also be reflected in the policy and legislation that defines the relationship and sets out the mutual obligations that exist between a private landlord and tenant. Landlords are businesses with all the UNGP Pillar 2 responsibilities that carries. The Property Investors Federation has estimated that 75% of private rental housing in New Zealand is owned by landlords who own only one property and do not see it as a business.

RECOMMENDATIONS

21. If New Zealand is going to meet its human rights commitment to provide all people with safe, affordable, adequate housing by 2030 and improve the health and well-being of New Zealand children, a clear and comprehensive plan will be required and activity should not be confused with achievement.
22. The following recommendations are designed with that objective in mind.
 1. **We recommend the development and implementation of a comprehensive and clear plan that identifies actions, builds ownership, and measures results with the primary goal of achieving the SDG Agenda target that all people in New Zealand live in safe, affordable and adequate housing by 2030 should be developed.**

2. The plan should ideally have cross-Parliamentary support and include a review of all relevant legislation and policy instruments, including consistency with the UNGPs framework as regards social housing procurement and outsourcing and ensuring that NGO and private landlords are aware of and meet their responsibilities under the UNGPs. The Government should report its progress in developing and implementing the plan at its next periodic review by the UN Committee on Economic, Social and Cultural Rights.
3. The plan should include the following components:
 - (i) Development and implementation of a nationwide, evidence-based, and mandatory rental Warrant of Fitness (WOF), or an alternative mechanism, that ensures rental housing is safe and otherwise adequate. Next year, two local councils (Wellington and Dunedin) will implement the rental WOF as a pilot, and Hutt City Council and Invercargill City Council will be the control cities. The economic and health effects of this will be measured over the course of a three-year period. However, on the basis of previous evidence, we recommend that a rental WOF or an alternative mechanism reaching the same end be implemented nationally as soon as possible
 - (ii) Development and implementation of a regular, comprehensive, and nationwide Housing Survey by Statistics New Zealand (Tier 1 data), in order to ascertain and monitor the quality of New Zealand's housing stock.
 - (iii) Measures to increase the provision of safe, adequate and affordable social housing.
 - (iv) A review of current policy settings with a view to amending the Residential Tenancies Act to provide for greater protections for tenants – in particular, tenants with dependent children – including in respect of duration of tenure, grounds for termination or rent adjustments, notice periods and preferential purchase options upon sale
 - (v) In order to improve affordability for households with children, the plan should design housing subsidies (the Accommodation Supplement and Income-related rents) to target support at low-income households, households living in high rent areas and households with multiple disadvantages, along the lines of the 2012 recommendation of the Expert Advisory Group on Solutions to Child Poverty.

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