

CHiLD POVERTY ACTION GROUP



August 2020

Our policy priorities to reduce child poverty in Aotearoa New Zealand:

Housing

For children to have their needs met and their potential realised, the next government must implement policies that uphold the mana of all whānau and families. To achieve this, the Child Poverty Action Group has outlined [policy recommendations](#) in the areas of [income](#), [health](#) and [housing](#), to ensure our children are prioritised and their wellbeing is cherished.

This paper outlines our recommendations on how to improve our housing system. For more information on all our policy recommendations go to cpag.co.nz/resources/election-2020

Housing for our children's health, security and wellbeing

Evidence is clear that for all children to be guaranteed safe, affordable and secure housing, the next government must:

1. Stop over-incentivising private investment into rental property
2. Accelerate state and social house building to a target of 5000 homes a year within three years.
3. Continue to increase legal protection for tenants
4. Plan a shift away from reliance on rent subsidies to an increase in other income support programmes (as outlined in our [Income Support](#) election priorities)

Together, as explained below, these policies are designed to ensure Aotearoa New Zealand appropriately acknowledges in practical terms that good housing is essential for children's wellbeing; and treats housing as a right for all, including for children and their families. This is not currently the case. In spite of some recent progress, most current housing policy settings – embedded by successive governments – still exacerbate child poverty. They:

- Fail to ensure that every family is adequately housed
- Treat housing merely as a commodity and not also as a social need
- Exacerbate the median wealth gap between Pākehā and Māori and in doing so, fail to uphold te Tiriti o Waitangi. (The median wealth gap between Māori and Pākehā increased between 2015 and 2018 by almost 17% from \$91,000 to \$109,000, in large part due to property ownership. In 2013, Pākehā home ownership rates were twice those of Māori (StatsNZ, quoted in [McKenzie, 2020](#)).

In contrast, our election priorities would ensure more New Zealanders could realistically aspire to home ownership; and also confirm life-long tenure as an appropriate, comfortable and secure option for all income ranges. Our policies aim to guarantee adequate and safe homes for all children and their whānau, no matter what their income and ability to invest in property.

Our housing policy priorities explained

Our recommendations here are aimed at: reducing speculative investment pressure on current housing stock; growing current housing stock; legally protecting tenants in private rentals; and also protecting them financially.

Stop using tax distortions to incentivise property as an investment option

1. Introduce a tax based on net equity for all residential property, including land held for housing development, above a threshold to protect modest owner-occupied homes

This would:

- Encourage investors to hold wealth in active and productive investments rather than passive investments like property
- In turn, this would push price pressure out of the housing market, so that families on more modest means could become first-home buyers and move into home ownership
- In turn, this would help relieve pressure in the rental market and possibly help to take heat out of rising rents for those still renting.

Increase state & social housing stock and stop selling Crown land

2. Over three years, move to a target of building 5000 additional state or other social housing each year

- We need more houses: while 1800 state houses have been built or purchased over the two years, the housing waiting list has more than doubled from 8,800 to 18,500 households.
- Building houses would be a lasting legacy left by the government funds supporting the economy in the current COVID downturn.

3. Ensure all new builds of state and social housing have safe environments for children, and a majority are wheel-chair accessible.

4. Stop the use of Crown land including Kainga Ora estates for the construction of market housing

- This is a form of privatisation and state-sponsored gentrification, which displaces low-income people and moves them away from their communities and suburbs.
- We should build state-owned houses on Crown land instead –houses which can be state-managed or rented by social providers.

5. Include local community and iwi housing providers in partnerships to construct social and affordable rental housing

- This provides diversity of housing models and can help ensure best practice in state housing, and show alternative and creative ways of housing provision

- Community ownership can lead to community development, engagement and accumulation of wealth, which can then be reinvested towards community wellbeing
- It also allows for the integration of housing into other community needs
- Devolving power to iwi for housing helps to uphold Te Tiriti o Waitangi.

Increase protection for tenants

- 6. Seriously consider moving industry standard to long-term fixed term tenancies, with tenant renewal rights as standard**
 - This will give tenants more security of tenure.
- 7. Fix any rent rises during tenancies to CPI or wages at maximum**
 - This will give tenants the ability to plan for the future without having to hedge against exorbitant rent increases (if indeed, they are financially able to do so).
- 8. Use criminal sanctions against abusive or exploitative landlords**
 - If landlords are abusive or exploitative to their tenants, they should be dealt with through criminal channels, not tenancy channels. People need to have a legal right to be and feel safe in their housing.
- 9. Interest from tenancy bond deposits should be used to fund and promote community based tenants' advocacy services**
 - Tenants need specialised advocates in order to have any real access to their rights under the law – and they need to know about them.

Less reliance on rental subsidies

- 10. Reduce reliance on AS by increasing core benefits and broadening Working for Families eligibility to all low-income families with children**
 - This would improve certainty of income and avoids arbitrary poverty traps
 - See our [Income Support](#) election priorities for more detail.
- 11. Investigate moving to a straight rental subsidy programme such as provided in Australia based on local rent ceilings**
 - This may make housing more affordable and reduce pressure on subsidies and increasing rents, while assisting horizontal equity between those receiving income-related rents and those tenants in the private rental market.

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