

## Auckland Regional Public Health Service

Rātonga Hauora ā Iwi o Tamaki Makaurau



Working with the people of Auckland, Counties Manukau and Waitemata

## Auckland Regional Public Health Service

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17<sup>th</sup> September 2009

Graham Hill  
Clerk of the Committee  
Transport and Industrial Relations Committee  
Parliament Buildings  
Wellington

### Infrastructure Bill Submission

1. Thank you for the invitation for the Auckland Regional Public Health Service (ARPHS) to make a submission to the Infrastructure Bill.
2. The following submission represents the views of the Auckland Regional Public Health Service and does not necessarily reflect the views of the three District Health Boards. Please refer to Appendix 1 for more information on ARPHS.
3. ARPHS understands that all submissions are subject to the Standing Orders of the House of Representatives and may be made available to the public.
4. The primary contact point for this submission is:

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## **1.0 EXECUTIVE SUMMARY AND KEY RECOMMENDATIONS**

5. Housing (its affordability, suitability for purpose {warm, dry, not overcrowded} and stability of tenure) is one of the foundations upon which New Zealanders base their lives.
6. ARPHS believes that it is premature to repeal the Affordable Housing: Enabling Territorial Authorities Act 2008 (the AHEHA Act) until there is clear evidence that the housing market is delivering substantially increased numbers of affordable homes.
7. ARPHS believes that the AHEHA Act should not be repealed until the results of Government's changes to regulatory settings in the Resource Management Act, Building Act and potentially the Local Government Act are in place and have been shown to be effective in encouraging the provision of affordable housing.
8. If the AHETA Act is repealed, ARPHS supports the transferring of the provisions relating to covenants aimed at restricting social housing to the Property Law Act 2007.
9. If the AHETA Act is repealed, ARPHS believes that the provisions relating to covenants aimed at restricting affordable housing should also be transferred to the Property Law Act 2007.

## **2.0 HOUSING AND PUBLIC HEALTH**

10. Housing that is affordable and of a good standard (warm, dry and not overcrowded) is one of the foundations of good population health outcomes.
  11. If families are unable to afford appropriate housing it is likely to result in a number of outcomes:
    - Occupation of poorer quality housing
    - Higher levels of crowding due - to inability to afford housing of appropriate size, or two or more families sharing a dwelling
    - Greater distances between home and work, schools, community facilities etc
  12. There is substantial evidence of the health impacts from housing that is cold, damp and overcrowded. The ill health attributable to poor housing causes:
    - Costs for the health sector, in treating avoidable illness
    - Lost economic output from workers suffering ill health
    - Lost education opportunities for children suffering ill health, leading to long term consequences for society
    - Suffering for those individuals whose health is affected
  13. ARPHS supported the introduction of the AHETA Act (albeit in a less bureaucratic form than finally enacted). ARPHS believes that it's original grounds for supporting the then Bill remain valid. ARPHS's original submission on the then Bill is attached as Appendix 2, for reference.
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### 3.0 AUCKLAND HOUSING PRESSURES

14. The Auckland region is experiencing continuous population growth, by 2021 an additional 340,300 people are expected to call the region home. This population increase is projected to comprise some 135,500 new households, all of whom will require housing accommodation. To meet this expected growth approximately 10,000 new dwellings are needed in the Auckland region each year. In the current year new dwelling consents are forecast to be less than 3,500<sup>1</sup>.

“This is significantly short of the volume needed to meet population and household growth”<sup>2</sup>.

15. This shortfall may be expected to lead to further increases in property prices. Increasing prices will put greater pressure on the low income and intermediate<sup>3</sup> sectors of the housing market with potential consequences for the demand for:

- Support through the accommodation supplement, and
- HNZZ provided state housing

16. This situation could be avoided if the number of new homes built increases rapidly and a substantial proportion of these homes are in the ‘affordable’ category.

### 4.0 SPECIFIC COMMENTS ON INFRASTRUCTURE BILL

17. ARPHS only wishes to comment on Part 4 of the Infrastructure Bill (the Bill).

#### Proposed Repeal

18. ARPHS believes that it is premature to repeal the AHETA Act, notwithstanding the facts that:
- No territorial authority to date has attempted to use the provisions of the AHETA Act, and
  - The housing market has changed since the AHETA Act was enacted
19. The Bill’s regulatory impact statement concludes, for a variety of reasons, that the AHETA Act has been ineffective, and its use could create disincentives and costs that would increase the price of housing. Notwithstanding this overall conclusion, the regulatory impact statement states:

“The powers provided for in the Act can be effective within a high value market characterised by significant development activity and limited development opportunity.”

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<sup>1</sup> Figures presented in the Report and Recommendations of the Urban Task Force 2009 accessible through <http://www.dbh.govt.nz/UserFiles/File/Building/sector-forum/Report-and-recommendations-of-Urban-Taskforce.pdf>

<sup>2</sup> Report and Recommendations of the Urban Task Force 2009 accessible through <http://www.dbh.govt.nz/UserFiles/File/Building/sector-forum/Report-and-recommendations-of-Urban-Taskforce.pdf>

<sup>3</sup> Final Report of the House Prices Unit: House Price Increases and Housing in New Zealand accessible through <http://www.dpmc.govt.nz/dpmc/publications/hpr-report/hpr.pdf>

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20. This situation is not currently applicable, but there is no reason to think that it will not occur at some point in the future.
21. ARPHS believes that most of the claimed costs and benefits from repealing the AHETA Act are based on the benefits expected from Government's wider policy and legislative reforms, rather than on costs attributable to the AHETA Act.
22. ARPHS acknowledges that the process set out in the AHETA Act to support affordable housing is cumbersome, and ARPHS' concerns around AHETA Act's process were reflected in its original submission to the then Bill.
23. The Bill's regulatory impact statement also states that repealing the AHETA Act will have minimal effect, as no territorial authority has used the AHETA Act's provisions. On that basis, leaving the AHETA Act on the statute book will also have minimal impact.
24. ARPHS acknowledges Government's policy and legislative programmes underway to address housing affordability issues through:
  - Phase 2 of the review of the Resource Management Act, the potential National Policy Statement on housing affordability, and a National Environmental Standard on home development
  - Local Government Act 2002 reform
  - Building Act 2002 reform and
  - Initiatives such as the Gateway Housing Programme
25. ARPHS hopes that this reform package will be successful in increasing the supply of affordable housing.
26. Care will need to be taken to ensure that potential collateral impacts from factors - such as increasing the supply of land (which theoretically should reduce the cost of land for a dwelling) - do not lead to perverse impacts such as:
  - Increased costs for infrastructure investment (roads, water, wastewater and wider social infrastructure such as schools and medical facilities) to service development at the edge of current urban settlements
  - Low density and distant suburbs which are difficult to service with public transport
  - Increased traffic congestion caused by an increased reliance on private vehicles
  - Increased air pollution and greenhouse gas emissions
27. Should these impacts occur, it may be that while a home becomes more affordable, the actual costs to both society and individuals are greater<sup>4</sup>.

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<sup>4</sup> Report and Recommendations of the Urban Task Force 2009 in particular Figure 1 accessible through <http://www.dbh.govt.nz/UserFiles/File/Building/sector-forum/Report-and-recommendations-of-Urban-Taskforce.pdf>

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## **Restrictive Covenants**

28. ARPHS is pleased that the prohibition on restrictive covenants contained in the AHETA Act is proposed to be 'transferred' to the Property Law Act 2007.
29. ARPHS believes that the current restrictions on covenants against affordable housing should also be 'transferred' to the Property Law Act 2007.
30. ARPHS believes that there is substantial evidence that mixed communities deliver a range of benefits, as outlined by the Ministry of Social Development's Briefing to the Incoming Government<sup>5</sup>

"Research shows that encouraging the growth of more mixed communities usually reduces geographic concentrations of disadvantage. Other potential benefits include: communities being able to attract and support a high level of local services, leisure activities, shops and related facilities. Higher average levels of disposable income may create more employment opportunities for local residents; improve educational attainment, reduce low-level crime, and bring greater social cohesion."

31. Government has acknowledged the benefits of mixed communities through its initiatives around the Tamaki Transformation Programme<sup>6</sup>, and the Gateway Programme.
32. Repealing the prohibition on covenants aimed at affordable housing will do little to support the creation of mixed communities.

## **5.0 CONCLUSION**

33. The operation of the New Zealand housing market in recent years has not delivered the numbers of affordable houses that are desirable to support individual families' aspirations, or Government's wider policy objectives, of ensuring that New Zealanders "have the opportunities they need to make the best choices for themselves"<sup>7</sup>.
34. Housing, its affordability and quality, is one of the foundations upon which New Zealanders base their lives. The AHETA Act is an enabling Act, rather than imposing requirements that impact on all houses built.

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<sup>5</sup> Briefing to the Incoming Government accessible through <http://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/corporate/bims/social-outcomes-bim-2008.pdf>

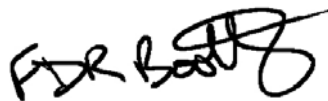
<sup>6</sup> Tamaki's Bright Future Starts Now accessible through <http://www.beehive.govt.nz/release/tamaki%e2%80%99s+bright+future+starts+now>

<sup>7</sup> Speech from the Throne accessible through <http://www.beehive.govt.nz/speech/speech+throne+0>

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35. ARPHS believes that it is premature to repeal the Affordable Housing: Enabling Territorial Authorities Act 2008 until there is clear evidence that the housing market is delivering substantially increased numbers of affordable homes.

Yours sincerely



Frank Booth  
**Service Manager**  
**Auckland Regional Public Health**  
**Service**



Dr Simon Baker  
**Medical Officer of Health**  
**Auckland Regional Public Health**  
**Service**

## **APPENDIX 1 - AUCKLAND REGIONAL PUBLIC HEALTH SERVICE**

Auckland Regional Public Health Service (ARPHS) provides public health services for the three district health boards (DHBs) in the Auckland region (Auckland, Counties Manukau and Waitemata District Health Boards), with the primary governance mechanism for the Service resting with Auckland District Health Board.

ARPHS has a statutory obligation under the New Zealand Public Health and Disability Act 2000 to improve, promote and protect the health of people and communities in the Auckland region. The Medical Officer of Health has an enforcement and regulatory role under the Health Act 1956 and other legislative designations to protect the health of the community.

ARPHS' primary role is to improve population health. It actively seeks to influence any initiatives or proposals that may affect population health in the Auckland region to maximise their positive impact and minimise possible negative effects on population health.

The Auckland region faces a number of public health challenges through changing demographics, increasingly diverse communities, increasing incidence of lifestyle-related health conditions such as obesity and type 2 diabetes, outstanding infrastructure needs, the balancing of transport needs, and the reconciliation of urban design and urban intensification issues.

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## Appendix 2 – ARPHS Submission on the Affordable Housing: Enabling Territorial Authorities Bill

### Auckland Regional Public Health Service

Rātonga Hauora ā Iwi o Tamaki Makaurau



Working with the people of Auckland, Counties Manukau and Waitemata

### Auckland Regional Public Health Service

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27<sup>th</sup> February 2008

Affordable Housing: Territorial Authorities Enabling Bill

Secretariat

Local Government and Environment Select Committee

Parliament House

Wellington

### Submission from the Auckland Regional Public Health Service on the Affordable Housing: Enabling Territorial Authorities Bill

1. Thank you for the opportunity for the Auckland Regional Public Health Service to provide a submission to the Affordable Housing: Enabling Territorial Authorities Bill.
  2. This submission represents the views of the Auckland Regional Public Health Service (ARPHS). ARPHS provides public health services for the three district health boards in the Auckland region (Auckland, Counties Manukau and Waitemata District Health Boards), with the primary governance mechanism for the Service resting with Auckland District Health Board. This submission represents the views of the ARPHS and does not necessarily represent the views of the three District Health Boards.
  3. ARPHS understands that all submissions will be available under the Official Information Act 1982, except if grounds set out under the Act apply.
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4. The primary contact point for this submission is:

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### **Executive Summary and Key Recommendations**

5. Housing is one of the key determinants of health. ARPHS supports the aims of the Affordable Housing: Enabling Territorial Authorities Bill (the Bill) as it will increase the quantity of affordable housing within the Auckland Region. However ARPHS believes that the Bill, as currently drafted needs improvement if it is to make an effective contribution to the current shortage of affordable housing within the Auckland Region.
  6. ARPHS believes that the Bill will provide local authorities with an increased range of options through which to promote the social, economic, environmental, and cultural well-being of their communities, in the present and for the future.
  7. ARPHS is concerned that the Bill only enables rather than requires territorial authorities to adopt an affordable housing policy. ARPHS's position based on New Zealand and world wide research and evidence is that housing is so integral to social, economic, environmental and cultural wellbeing that where there is an inadequate supply of affordable housing that an affordable housing policy should be mandatory.
  8. ARPHS recommends that the Bill's definition of affordable housing be revised. The current definition contains terms such as "low to moderate income" and "able to meet their housing costs and their other essential basic living costs". These terms are open to interpretation and debate and ARPHS believes that a definition setting a maximum percentage level of household income being expended on housing costs is easier and more appropriate.
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9. ARPHS strongly supports the Bill's intent to prevent the use of discriminatory title covenants to exclude social or affordable housing for residential developments. ARPHS suggests that Clause 5(b), which aims to void covenants whose principal purpose is to stop the provision of affordable housing or social housing will be ineffective as the current wording implies the ability to prove the 'principal purpose' of such a covenant. ARPHS recommends that the wording of Clause 5(b) be amended to read "...purpose or effect...". This wording mimics wording used in legislation such as the Commerce Act and will be more effective in preventing such covenants.
  10. ARPHS recommends that consideration should be given to providing local authorities further tools to support affordable housing developments, such as the ability to compulsorily acquire land for affordable housing. This would help support the aggregation of larger development sites within current urban limits. Additional tools to support larger development sites will assist in making affordable housing developments (carried out by both the public and private sector) more economically attractive and viable for developers.
  11. ARPHS recommends that Clause 12(2) should explicitly include options for territorial authorities to 'fast track' affordable housing applications and to discount building and consent fees to reflect the economies of scale to its operations from large affordable housing developments as long as housing quality is not compromised.
  12. The Bill indicates that territorial authorities may be expected to have a role in the provision and on-going management of affordable housing beyond policies that encourage or require the creation of more affordable housing. If this is to be effective ARPHS suggests that guidance should be provided in the Bill to govern their on going ownership of affordable housing or their relationships with third sector providers such as trusts who will own and operate affordable housing.
  13. ARPHS recommends that the Bill be clarified and extended to require significant ongoing Government support and funding of third sector and not for profit housing trusts so that they can work in partnership with territorial authorities to provide long term affordable housing.
  14. ARPHS raises the wider structural funding issue i.e. whether it is appropriate for the costs of the development of affordable housing policies to fall entirely on territorial authorities when they will provide a range of benefits at the 'whole of government' level and suggests that some form of cost sharing between central and local government may be more appropriate.
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## **Introduction**

15. Auckland Regional Public Health Service (ARPHS) has a statutory obligation under the Health Act 1956, to improve, promote and protect the health of people and communities in particular for the Auckland region. ARPHS primary concern is to improve population health rather than deliver personal health services. It actively seeks to influence any initiatives or proposals that may affect population health in the Auckland region to maximise their positive impact and minimise possible negative effects on population health.
16. The Auckland region faces a number of public health challenges through changing demographics, increasingly diverse communities, outstanding infrastructure needs, the balancing of transport needs, and the reconciliation of urban design and urban intensification issues.
17. Policy to affect health gain is often marginalised to medical care. Health, however, is influenced by a broad range of policy decisions and is not solely the responsibility of the health sector. Statutes such as the NZ Public Health and Disability Act, Local Government Act, Resource Management Act and Building Act (amongst many others) all have elements designed to deliver outcomes promoting, protecting and maintaining the health of the community. Planning and policy decisions by central government, local government, non-government agencies and the commercial sector can have a large impact on health outcomes.

## **Housing and Health**

18. Housing, by virtue of its impact on health is of key interest to ARPHS. In its 2006 Report "Improving Health and Wellbeing: A Public Health Perspective for Local Authorities in the Auckland Region"<sup>8</sup> (the SOPHAR Report) ARPHS explored the linkages between a range of factors and population health, this built on its earlier report "Housing and Health: A Summary of Selected Research for Auckland Regional Public Health Services"<sup>9</sup>. While affordability was not a focus for the SOPHAR Report, it does highlight the reasons why addressing housing affordability is so important. The housing section of the SOPHAR Report is attached as Appendix 1.
19. The importance and impact of housing on health was the prime reason why ARPHS chose to make a submission<sup>10</sup> to the Commerce Select Committee's separate Inquiry into Housing Affordability, notwithstanding the largely economic focus of that Committee's inquiry. Aspects of that submission are incorporated into ARPHS's submission on this Bill (the full submission can be supplied to the Committee if it will assist the Committee's deliberations).

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<sup>8</sup> Improving Health and Wellbeing: A Public Health Perspective for Local Authorities in the Auckland Region, 2006, ARPHS [http://www.arphs.govt.nz/publications/Sophar06/Sophar\\_report06.asp](http://www.arphs.govt.nz/publications/Sophar06/Sophar_report06.asp) Printed copies can be made available to the Committee if desired.

<sup>9</sup>Housing and Health - A summary of selected research for Auckland Regional Public Health services, 2005, ARPHS [http://www.arphs.govt.nz/publications/HealthyHousing/Healthy\\_Housing.asp](http://www.arphs.govt.nz/publications/HealthyHousing/Healthy_Housing.asp)

<sup>10</sup> Accessible through [http://www.arphs.govt.nz/submissions/downloads/2007/20070614\\_AffordableHousingInquiry.pdf](http://www.arphs.govt.nz/submissions/downloads/2007/20070614_AffordableHousingInquiry.pdf)

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20. Poor housing conditions are associated with a wide range of health conditions including respiratory infections, asthma, lead poisoning, injuries, and mental health<sup>11,12</sup>. Secure and affordable housing improves the ability of households in greatest need to provide a stable environment for their children with consequent improvements in health, employment and educational outcomes<sup>13</sup>.
21. The high cost of housing leaves less money for other items essential to good health including a nutritious diet, primary health services, winter heating, education and transport. Housing needs to be affordable and of good quality to meet community needs.
22. If families are unable to afford appropriate housing it is likely to result in a number of outcomes:
  - Occupation of poorer quality housing.
  - Higher levels of crowding due to inability to afford housing of appropriate size or two or more families sharing a dwelling.
  - Greater distances between home and work, schools, community facilities etc.
23. The Auckland region is estimated to have 14.5% of households living in crowded accommodation<sup>14</sup>, this is higher than for any other region.
24. In Auckland house prices<sup>15</sup> and rents are higher and rising at a higher rate than the rest of the country and Aucklanders spend more of their income on housing. Recent figures from Quotable Value<sup>16</sup> suggest that property prices in Auckland are continuing to rise with a 9.5% growth in the past year.
25. A lack of affordable and adequate housing is a significant issue particularly within the Auckland region. Recent research<sup>17</sup> suggests that some 107500 households within the Auckland region are facing housing costs of greater than 30% of gross household income.

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<sup>11</sup> Krieger, F. Higgins, D. Housing and Health Time Again for Public Health Action *American Journal of Public Health*, May 2002 p.758 Washington DC

<sup>12</sup> Wilson N. Mould in New Zealand houses; its relevance to health and potential policy responses. A report prepared for the Ministry of Health, 2005 cited in Imlach F. (2006). Housing and Health: Improving Health through the Built Environment. Wellington School of Medicine and Health Sciences-10<sup>th</sup> Public Health Summer School Course Book.

<sup>13</sup> Housing New Zealand Corporation, (2004). *Building the Future: Towards a New Zealand Housing Strategy: a discussion document* Wellington

<sup>14</sup> MSD Regional Indicator Summary Social Report 2006

<http://www.socialreport.msd.govt.nz/documents/regional/regional-indicator-summary-sheet.xls>

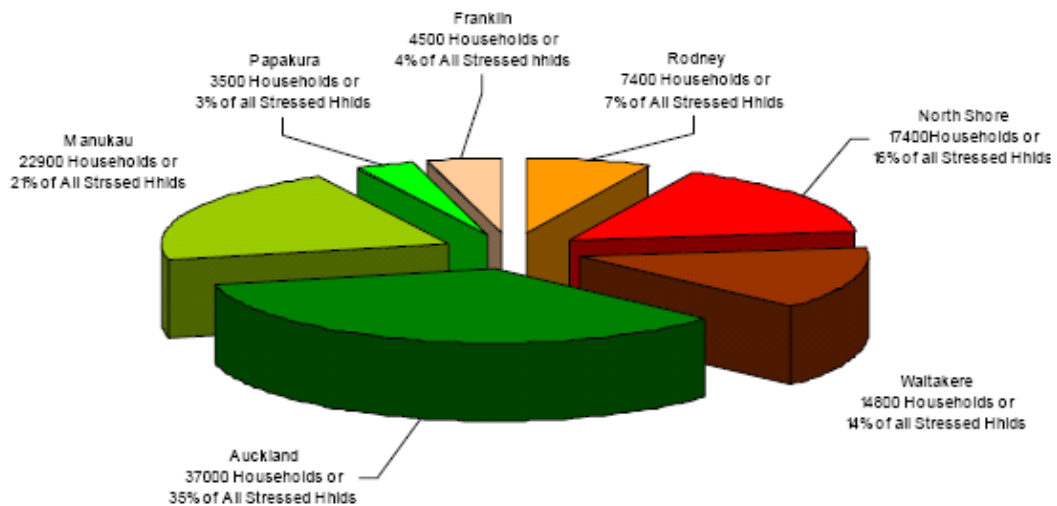
<sup>15</sup> With exception of Queenstown Lakes. Quotable Value 2007

<https://www.qv.co.nz/online-reports/propertyvaluemap.htm>

<sup>16</sup> Quotable Value 2007 <https://www.qv.co.nz/online-reports/propertyvaluemap.htm>

<sup>17</sup> The Future of Home Ownership and the Role of the Private Rental Market in the Auckland Region, 2007, Centre for Housing Research Aotearoa New Zealand and Auckland Regional Council accessible through <http://www.chranz.co.nz/pdfs/future-of-home-ownership-and-the-role-of-the-private-rental-market-in-auckland.pdf>

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Reproduced from "The Future of Home Ownership and the Role of the Private Rental Market in the Auckland Region" Page 25.

26. The Regulatory Impact Statement in the Bill suggests that the Bill will increase the supply of affordable homes in New Zealand by 1000 per annum. The Bill in the absence of other policy initiatives will not produce a sufficient increase in affordable housing within the Auckland Region. Notwithstanding that caveat ARPHS believes that the Bill should be supported.
27. The affordability of housing has a much wider impact than just on those suffering housing stress due to the proportion of their household income required for housing. The impact of housing related ill health falls on the wider community by virtue of increased health care costs, lost productivity etc.
28. If affordable housing is marginalised to specific geographic locations, for example on the periphery of the pre-existing urban form, it will require that the occupants travel further to access work, schools and community and other facilities. The impact of greater distances travelled (unless public transport is used) also impacts on the wider community through increased air pollution, increased stormwater pollution, greater requirements for roading infrastructure, transport congestion and greater production of greenhouse gases etc. Many of these costs fall directly on the business community and impact on New Zealand's economic development.
29. ARPHS believes that the Bill is but one component of a range of actions that are needed to ensure that housing is affordable and suitable for its purpose. The commentary set out below focuses primarily on the contents of the Bill and doesn't cover in depth other issues relating to affordable housing such as the lack of third sector housing associations capable of managing large scale affordable housing.

## Comment on the Bill

30. The Bill has the potential to impact positively on a number of the objectives set out in the New Zealand Public Health and Disability Act namely to achieve for New Zealanders:
- The improvement, promotion, and protection of their health
  - To reduce health disparities by improving the health outcomes of Maori and other population groups<sup>18</sup>.

### *Clause 4 Interpretation - Affordable Housing.*

31. The draft definition of the term Affordable Housing contained in the Bill is inadequate. There is no real precision around terms such as low to moderate income, or the statement “priced so that the persons are able to meet their housing and other essential living costs”. In many ways there is a de-facto nationally accepted definition of affordability which states that housing is affordable when a household is spending less than or equal to 30% of gross income on housing<sup>19</sup>. The Auckland Regional Affordable Housing Strategy<sup>20</sup> (March 2003) states “housing is considered to be affordable if households can access suitable and adequate housing by spending a maximum of 30% of their gross income”. This definition also recognises the importance of dwelling size and quality which directly impact on the household’s health. ARPHS suggests that the Bill’s definition of affordable housing be changed to something that is more precise and less open to interpretation and which reflects the reality of local housing markets and incomes.

### *Clause 5 Purposes*

32. ARPHS supports the purpose of the Bill to give territorial authorities the power to require developers to facilitate the provision of affordable housing.
33. ARPHS strongly supports the Bill’s intent to prevent the use of discriminatory title covenants to exclude social or affordable housing for residential developments. ARPHS believes that Clause 5(b), which aims to void covenants whose principal purpose is to stop the provision of affordable housing or social housing will be ineffective as the current wording implies an element of ‘mens rea’ around the ‘principal purpose’ of a covenant. The current drafting may well be adequate to stop covenants containing wording such as:

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<sup>18</sup> New Zealand Public Health and Disability Act Section 3

<sup>19</sup> The Social Report 2006, Ministry of Social Development <http://www.socialreport.msd.govt.nz/> and Auckland Regional Affordable Housing Strategy 2003, Regional Growth Forum [http://www.arc.govt.nz/arc/library/p93639\\_2.pdf](http://www.arc.govt.nz/arc/library/p93639_2.pdf)

<sup>20</sup> Accessible through <http://www.arc.govt.nz/plans/regional-strategies/auckland-regional-affordable-housing-strategy.cfm>

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*“...not sell, lease or let the property to any Government or quasi-government department of agency such as Housing Corporation of New Zealand, or local authority, where the property may be occupied by tenants, or occupants, selected by the department, agency or local authority”*

from being drafted.

34. With wording such as ‘principal purpose’ it will be relatively easy to circumvent the prohibition. A term such as ‘principal purpose’ will be difficult to assess and to prove (unless it specifically refers to Housing New Zealand Corporation) and it will be relatively easy for a covenant to side step the prohibition. Wording such as;

*“...not sell, lease or let the property to a non natural person<sup>21</sup>”,*

will have the same effect as the first example.

35. This second example might be imposed with the ‘stated’ purpose of maintaining the residential nature of a development (if the development were sited in an area where zoning permitted business activity – not an uncommon situation in mixed use urban areas). An alternative motive of such a covenant might be to prevent property owners from renting property to Housing New Zealand Corporation or other providers such as IHC or Affinity Solutions (a mental health provider) for social housing.
36. ARPHS recommends that the wording of Clause 5(b) be amended to read “...purpose or effect...”, this suggested wording mimics wording used in legislation such as the Commerce Act and will be more effective in preventing covenants with a principal, hidden or ancillary purpose of excluding affordable housing or social housing.

*Clause 6 What this Act does about affordable housing and social housing, Clause 7 Decision to Assess & Clause 8 Method of Assessment.*

37. Affordability of housing varies across the Country. For some areas such as the Auckland Region there is already a comprehensive amount of evidence to show that the lack of affordable housing is a serious issue and ARPHS questions just what value requiring a separate assessment of the need for affordable housing will deliver.

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<sup>21</sup> Non natural persons will include tenancies held by public bodies, crown entities, companies, trusts, incorporated societies etc.

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38. The provision of affordable housing is an integral contributor to the promotion of the social, economic, environmental and cultural wellbeing of a territorial authority's community<sup>22</sup>. Housing (and its affordability) is a common element in the community outcomes identified as part of the Auckland region's local authorities Long Term Council Community Plans, for example:

*"Aucklanders have affordable housing options. Housing in our city is close to services, transport and the places where we work, play and meet. Many types of housing are available, meeting the differing needs and requirements of individuals and families, including being affordable."<sup>23</sup>*

39. Currently it is possible for a territorial authority to take a political decision that the "The new council sees the provision of housing as a central government responsibility, not the responsibility of ratepayers. Given the intense pressures on the council budget, other important projects that are the core responsibility of Auckland City Council must take precedence."<sup>24</sup>. This view may be politically valid, but it ignores the Community's view as identified in this particular council's long term vision and community outcomes process<sup>25</sup>. The enabling nature of the Bill will allow a territorial authority to choose not to consider how it will give effect to the purpose of local government<sup>26</sup> with respect to this aspect and building block of community wellbeing.
40. ARPHS believes that the Bill would be stronger if Clause 6, 7 and 8 were amended to give territorial authorities an 'opt out' provision, rather than allow them to 'opt in'. Territorial authorities should be required to develop affordable housing policies unless they explicitly and transparently decide / prove that there is sufficient evidence of affordable housing in their area.
41. An alternative would be to insert an additional clause in the Bill allowing Government to assess the question of the adequacy of affordable housing provision and issue a 'regional affordable housing policy statement' which then triggered a requirement for a territorial authority to consider how it could facilitate affordable housing and the development of appropriate local policy.

*Clause 9 Outcomes and objectives, Clause 10 Criteria for application of policy to development, Clause 11 Actions required of persons doing developments & Clause 12 Actions required of territorial authorities.*

42. ARPHS supports giving territorial authorities a range of policy options around encouraging affordable housing.

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<sup>22</sup> Section 10, Local Government Act 2002.

<sup>23</sup> Auckland City's Long Term Plan 2006-2016, Page 15

<http://www.aucklandcity.govt.nz/council/documents/focus/2006/docs/v1part1.pdf>

<sup>24</sup> Councillor Paul Goldsmith Auckland City Council

<http://www.aucklandcity.govt.nz/news/releases/20071214a.asp>

<sup>25</sup> The majority of LTCCPs in the Auckland Region contain comments around housing.

<sup>26</sup> Section 11, Local Government Act 2002.

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43. ARPHS supports giving territorial authorities greater flexibility around charging regimes for developments that incorporate affordable housing. ARPHS believes, however, any provisions in a draft affordable housing policy that impose greater costs on the community at large would be better considered as part of a territorial authority's main financial management practices contained in part 6, sub-part 3 of the Local Government Act 2002, rather than as part of the development of an affordable housing policy. With the current Bill it appears that a territorial authority would need to consult on the development of its affordable housing policy and then a second time on the changes to its financial management policies unless it had availed itself of the option set out in clause 17(2)(c).
44. ARPHS supports the inclusion of Clause 10(2)(g) "the desirability of the community having a variety of housing sizes, tenures, and costs in the Bill. ARPHS questions whether the clause has gone far enough and believes that there would be merit of extending the clause to include other options such as housing based around the needs of Maori as outlined in Te Whare Tapa Wha health model and the needs of other particular cultural groups and priority areas.
45. The Regional Growth Strategy sets a metropolitan urban limit around the Auckland conurbation and is designed to increase growth around a series of centres or nodes. ARPHS supports the growth strategy as greater intensification allows a range of policies to be put in place that reduce car dependence and increase the use of public transport and walking and cycling. Such policies can be a valuable contribution to the reduction of a range of diseases whose causes are often lifestyle related, such as obesity, type 2 diabetes and cardiovascular disease.
46. The evaluation of the Regional Growth Strategy<sup>27</sup> assessed the success or otherwise of the Auckland Regional Growth Strategy. One of the conclusions of the evaluation was that there were issues around the amalgamation of large enough sites for re-development, particularly in areas already subject to urban development.
47. Currently there are weak mechanisms to support the development of sites sufficiently large for development. The impact of this is that it may be impossible for a developer to acquire a sufficiently sized land parcel for large scale developments where one might think that economies of scale would allow for greater housing affordability. A single 'hold out' can stop developments becoming viable and there is no mechanism to force a property sale.

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<sup>27</sup> Growing Smarter: The Auckland Region in the 21<sup>st</sup> Century, An Evaluation of the Regional Growth Strategy, accessible at <http://www.arc.govt.nz/albany/fms/main/Documents/Auckland/Aucklands%20growth/Growing%20Smarter%20-%20An%20evaluation%20of%20the%20Auckland%20Regional%20Growth%20Strategy%201999.pdf>

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48. The issues facing private sector development can be contrasted with public sector development where the Public Works Act can be used to acquire land. ARPHS recommends that consideration be given to the development of tools that will allow territorial authorities to acquire land for developments that include affordable housing. ARPHS also believes that land acquired under such a provision should be able to be sold as part of the title of an affordable home. Providing a mechanism to support the amalgamation of land parcels may well provide an incentive for developers to actively embrace the provision of affordable housing as it would help align the developer's and community's needs.
49. Clause 12(2) does not provide an exhaustive list of things an affordable housing policy may contain; ARPHS believes that it may be worth including sub-clauses to:
- Allow a territorial authority to give preferential processing to developments that provide for the inclusion of affordable housing. Any incentives that cut processing times may increase the attractiveness of an affordable housing policy to developers by reducing the overall cost of the development.
  - Allow a territorial authority to discount its building and consent fees to reflect the economies of scale that may apply when a development proposes multiple similar or identical houses.
  - Recommend that a territorial authority use appropriate tools such as social and health impact assessments<sup>28</sup> to evaluate its draft policy options so that the potential benefits from an affordable housing policy can be maximised.
50. Explicitly including these options will help ensure that a more holistic approach is taken by territorial authorities to the development of an affordable housing policy. It is not only territorial authorities, however, who are involved in the processing of development consents. Regional Councils also have involvement and ARPHS believes that consideration should be given to allowing / requiring regional councils to have similar policies around preferential processing and discounting fees.

*Clause 10 Criteria for application of policy to development, Clause 13 Criteria for allocation & Clause 14 Methods of retention.*

51. Elements of clauses 10, 13 and 14 state that territorial authorities may:
- Decide it is desirable to have a variety of "... tenures..." (Clause 12(2)(g).
  - Decide who is to be allocated affordable housing. (Clause 13(1).
  - Decide who is to own the housing and what happens when the current owner or tenant wishes to move. (Clause 14(2).

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<sup>28</sup> Further information on Health Impact Assessments is available from the Health Impact Assessment Support Unit at the Ministry of Health <http://www.moh.govt.nz/hiasupportunit>

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52. These parts of the Bill have the potential to extend the territorial authorities role into the management (either directly or as an enabler / service specifier) of affordable housing.
53. ARPHS believes that if this is the intention of the Bill that the role of territorial authorities in ensuring the on going management and retention of affordable housing needs to be made more explicit.
54. Territorial authorities have relatively little experience in the provision of new housing (other than as a regulator around planning and consent issues), nor do they have experience in the management of rental housing (other than of housing for older adults<sup>29</sup>) or of working with 'third sector' housing providers.
55. In the absence of substantial funding initiatives to provide the capital for affordable housing development there will be little affordable housing provided other than for owner occupiers or Housing New Zealand Corporation tenants. This lack of capital for other forms of tenure may mean that the current wording of the draft is adequate.
56. If it is contemplated, however that there will be an increased role for housing trusts and other not for profit providers in the supply of affordable housing for rental or shared equity type schemes, the providers of such housing need to be robust, capable and well resourced. ARPHS believes that the Bill would be more effective if these issues were considered now and guidance incorporated<sup>30</sup> into the Bill, rather than the issue needing further consideration and legislation at some stage in the future.
57. ARPHS recommends that the Bill be clarified and extended to require significant ongoing Government support and funding of third sector and not for profit housing trusts so that they can work in partnership with territorial authorities to provide long term affordable housing.

*Clause 24 Objections and appeals, Clause 25 Objections to territorial authority, Clause 26 Appeals made to Environment Court & Clause 27 Effect on affordable housing policy of objections and appeals.*

58. The Bill contains extensive appeals and objections provisions. Housing is of such crucial importance to overall population health that it would be disappointing if private interests were able to inappropriately delay the wider public benefit that affordable housing brings.

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<sup>29</sup> CRESA, 2007, Local Government and Affordable Housing, accessible through <http://www.chranz.co.nz/pdfs/local-government-affordable-housing-report.pdf>

<sup>30</sup> UK experience such as that gained by the Housing Associations Charitable Trust accessible through <http://www.hact.org.uk/> provides one possible source of guidance.

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59. ARPHS doesn't wish to see any measure that may increase the number of affordable houses in the Auckland Region 'bogged down' in appeals and suggests that a similar appeals regime to that contained in the main Local Government Act 2002 may be more appropriate. Alternatively a simple judicial review process around the territorial authority's decision making would be far more appropriate than the current proposals as for many of the issues covered in the Bill there will already be 'duplicate' appeal provisions by virtue of the Resource Management Act.

#### *Cost of Affordable Housing Policy Development*

60. Within the Bill as currently drafted the full costs of the development of an affordable housing policy will fall on the territorial authority. Affordable housing delivers benefits to society as a whole through the reduction in housing related ill health that it can produce. It may be more appropriate for there to be cost sharing between central and local government over the development of affordable housing policies.

#### **Impacts on Inequalities**

61. ARPHS's comments on the Bill reflect its concerns at the population level. Within the wider population, however are a number of groups such as Maori and pacific peoples who suffer disproportionate health inequalities. Changes to the Bill have the potential to increase or reduce the level of health inequalities suffered by these groups. ARPHS believes that any changes to the Bill need to be made in the understanding of how decisions around housing affect population health and with particular regard to issues that have the potential to improve the health outcomes for specific groups.
62. Greater consideration of how housing is to be made affordable for families and individuals on benefits, low wages or with little or no savings also needs to occur. Families and individuals in these circumstances may not be able to respond to the increased availability of affordable housing that the Bill will create. This may be something that is outside the scope of the Bill as drafted, however it is an area where further study around policy options is needed.
63. If the Committee's consideration of the Bill extends beyond the area currently drafted, ARPHS would suggest that there are a wide range of policy options such as those outlined in the recent Australian Housing and Urban Research Institute (AHURI) review that could be considered for incorporation into an improved Bill<sup>31</sup>.

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<sup>31</sup> See Lawson J & Milligan V, 2007, International Trends in Housing and Policy Responses, AHURI, accessible through [http://www.ahuri.edu.au/publications/download.asp?ContentID=60323\\_fr](http://www.ahuri.edu.au/publications/download.asp?ContentID=60323_fr)

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## **Conclusion**

64. ARPHS believes that affordable, appropriate quality housing is one of the key determinants of population health and solving the issue of affordability is one of the key challenges facing society.
65. ARPHS does not believe that the Bill will 'solve' the affordable housing issue, it is however, one necessary step and will provide territorial authorities with greater options with which to address affordable housing.
66. Thank you for the opportunity to submit on this crucial issue. ARPHS would be happy to present orally to the Committee on the health affects if housing and on the Bill's potential impacts on health if so desired.

Yours sincerely

Monica Briggs

**Service Manager**

**Auckland Regional Public Health Service**

## Appendix 1 Extract from SOPHAR Report

### 5.1 HOUSING

#### Health issue

Internationally, several health conditions have been associated with substandard housing conditions including respiratory infections, asthma, lead poisoning in older houses painted with lead-based paint, injuries and mental illness (Krieger & Higgins, 2002). Many of the aspects of housing that have been linked with health are most likely to occur in (often older) homes that do not meet current building standards.

The prevention of injuries in the home is important, even though evidence for the effectiveness of interventions is limited, as injuries are a significant cause of death and hospitalisation in New Zealand (Bennett, Wong, & Coggan, 2003). Unintentional injury is a leading cause of death and hospitalisation for New Zealand children (Safekids, 2005a) and children along with older people suffer the highest incidence of home injuries (Bennett et al., 2003).

#### Determinants

Housing is an important determinant of health and wellbeing. Factors that impact directly or indirectly on health and wellbeing include: location (e.g. access to employment and facilities), physical quality, level of crowding (measured by number of people per bedroom), construction and maintenance, and cost (percentage of household expenditure). Links between housing conditions and health and wellbeing are summarised below in Table 1.

**Table 1: Links between housing conditions and health and wellbeing\***

|                        | Infectious disease | Respiratory health | Other chronic conditions | Injuries/ poisonings | Psychosocial health | Cultural health |
|------------------------|--------------------|--------------------|--------------------------|----------------------|---------------------|-----------------|
| Affordability          |                    |                    | ●                        |                      |                     |                 |
| Substandard housing    | ●                  | ●                  | ●                        | ●                    | ●                   | ●               |
| Crowding               | ●                  | ●                  | ●                        | ●                    | ●                   |                 |
| Cold                   |                    | ●                  | ●                        | ●                    | ●                   |                 |
| Damp and mouldy        | ●                  | ●                  | ●                        |                      | ●                   |                 |
| Faulty heating sources |                    | ●                  | ●                        | ●                    |                     |                 |
| Pollutants and pests   |                    |                    | ●                        |                      |                     |                 |
| Noise                  |                    |                    |                          |                      | ●                   |                 |

|                      |   |  |   |   |   |   |
|----------------------|---|--|---|---|---|---|
| Monocultural housing |   |  |   |   | ● | ● |
| Lack of shelter      | ● |  | ● | ● | ● | ● |

\*Reproduced from (Rankine, 2005)

Exposure to lead-based paint can be a risk in New Zealand houses built before 1980. Lead exposure is more of a risk if the paint is in poor condition, if people are carrying out renovations or if small children chew materials that have been painted with lead-based paint (Ministry of Health, 1998).

People living in cold, damp and crowded housing is also a significant health issue which may lead to an increased incidence of respiratory disease and infectious diseases such as tuberculosis, acute rheumatic fever, and meningococcal disease (Statistics New Zealand, 2003). Houses built in New Zealand prior to 1978 were not required to have insulation. A phone survey in the Auckland region found that 57% of houses had ceiling insulation and 44% had wall insulation, while an estimated 23% had no insulation (Wilton, 2005). This lack of insulation makes houses difficult to heat. Many New Zealand houses are colder than WHO recommendations (Public Health Advisory Committee, 2002). A study of New Zealand homes (Howden-Chapman, Crane, Baker, Cunningham, & Matheson, 2004) found that insulating houses improved people's health. Children and adults in insulated homes reported fewer general practice visits, fewer sick days off work or school and were admitted to hospital for respiratory conditions less frequently than people who lived in noninsulated homes (P Howden-Chapman et al., 2004).

Housing-related injuries can be caused by a range of factors (Rankine, 2005) that include: poor maintenance, lack of fences, exposed heating sources, unprotected high windows, balconies and stairs, faulty wiring and appliances, poor storage, breakable window glass, flammable materials, and a lack of working smoke alarms.

Newer houses can be airtight with inadequate ventilation, which allows toxic fungi to grow (Public Health Advisory Committee, 2002). Issues with some high-rise apartments in Auckland include inadequate ventilation, insufficient storage space, lack of kitchen space and noise (Heslop et al., 2004). A survey of medium-density residential developments identified the following potential issues: privacy, location of rubbish collection and location of laundries and toilets (Turner, Hewitt, Wagner, Su, & Davies, 2004). Concerns have also been raised regarding the small size of some apartments (Martin, 2003).

There is some limited evidence linking household crowding and health outcomes. However, crowding is usually associated with other health determinants including low income (Baker, Milosevic, Blakely, & Howden-Chapman, 2004). There is good evidence linking crowding and infectious disease rates (particularly infectious respiratory illnesses). Among infectious diseases in New Zealand, infectious respiratory illnesses account for the highest proportion of hospitalisations and deaths (Mills, Tobias, & Baker, 2002). An association between household crowding and rates of meningococcal disease has been demonstrated in New Zealand (Baker et al., 2000). Other diseases linked to household crowding in studies internationally

include rheumatic fever and tuberculosis (Baker, Goodyear, & Howden-Chapman, 2004).

The high cost of housing in the Auckland region impacts on health and wellbeing through reducing the amount of income households can spend on food, heating, health services, education and transport (Rankine, 2005). Housing needs to be affordable and it has been estimated that 23% of households in the Auckland region are paying in excess of 40% of their net income on housing costs (DTZ Research, 2004). The high cost of housing means that some people are sharing houses resulting in crowding. A lack of affordable houses suitable for large or extended families may also contribute to crowding in households. From Census 2001 data, houses tended to have three bedrooms and 80% of inner city multi-unit dwellings had two or fewer bedrooms (Statistics New Zealand, 2005a). A report on the social implications of intensive housing in the Auckland region found that to date, intensification in the Auckland region has made housing more accessible for some groups but has not reduced the housing costs of those most in need (Syme, McGregor, & Mead, 2005).

Recent commentary from Australia (Randolph, 2005) has raised two issues that may need to be considered for housing developments in Auckland. The first issue is that given that much of the higher density housing has been sold into the investment market, the developments may have been designed to suit the needs of an investor rather than the prospective tenants. Information from New Zealand suggests that people living in higher density dwellings tend to be tenants rather than owner-occupiers (Dixon & Dupuis, 2003; Statistics New Zealand, 2005a; Vallance, Perkins, & Moore, 2003). Secondly, higher density housing needs to be made more suitable for families than is currently the case.

Rapid urban development also has an impact on existing communities (Parliamentary Commissioner for the Environment, 1998; Vallance et al., 2003) and there is a need to consider their health and wellbeing as well as that of the future residents when assessing the impacts of urban development. For example, urban intensification may increase the level of noise that a residential community is exposed to and increase traffic thus contributing to a range of negative health impacts. Additionally, concerns have been raised by existing communities that urban intensification will create slums (Dixon & Dupuis, 2003; Syme et al., 2005; Vallance et al., 2003).

A recent literature review (Syme et al., 2005) concluded that social problems would be less likely to occur if intensive housing is well designed (internal and external living spaces), well located (i.e. accessible to a range of services and activities), and meets the needs of a diverse range of households in terms of income and demographics and is not associated with one particular group in society. Connected communities are more likely to develop if there are opportunities for people to meet and interact. In higher density developments, this interaction may be encouraged and facilitated by the provision of common areas and shared facilities (Randolph, 2005).

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## Action

Ensuring that houses are insulated (P Howden-Chapman et al., 2004), are not crowded, and have adequate facilities for cooking and hygiene will help to prevent the spread of infectious disease. Examples of interventions to reduce injury include fencing of swimming pools (drownings), appropriate design and supervision of driveways (drive-over deaths) and a range of design considerations to prevent falls, which commonly occur at home (Accident Compensation Corporation, 2005).

Possible actions local authorities could take to address affordable housing include implementing the *Auckland Regional Affordable Housing Strategy* (Auckland Regional Growth Forum, 2003) and the creation of 'inclusionary zoning'. Inclusionary zoning would require developers to incorporate affordable housing within new housing developments (Brown, 2001).

There is some concern that there may not have been enough regulation of the quality and design of some of the intensive housing built to date (Dixon & Dupuis, 2003; Heslop et al., 2004). For example, in a report prepared for the Building Industry Association, Heslop *et al.* (2004, p.1) observed that "there has been little direct control by territorial authorities of design and durability aspects of this new form of housing." Some of the issues identified with construction methods in higher density housing also occur in single dwellings (Hunn, Bond, & Kernohan, 2002).

Some of the concerns related to higher density dwellings and building quality generally are being addressed through amendments to the Building Act 2004, the Building Code, and through district plan changes, which provide guidance for internal noise control, size, provision of facilities such as kitchens and bathrooms, building setback and height, and outdoor living areas. Minimum standards for residential apartments in central Auckland have recently been proposed (Clinton Bird Urban Design Limited, 2005). The Auckland Regional Council has recently prepared a discussion paper that identifies the key building quality issues associated with apartments and multi-unit housing which need to be addressed through review of the Building Code (Auckland Regional Council, 2005c). Other local authority-led initiatives, such as Auckland City Council's urban design panel, also have potential to improve the quality of future intensive housing developments. There may need to be monitoring of the existing housing stock to identify and mitigate impacts on the health and wellbeing of residents.

Further information on the links between housing and health and wellbeing can be accessed from the ARPHS publication *Housing and Health in Auckland* (Rankine, 2005) [http://www.arphs.govt.nz/publications/HealthyHousing/Healthy\\_Housing.asp](http://www.arphs.govt.nz/publications/HealthyHousing/Healthy_Housing.asp)

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