

30 June 2020

Wellington City Council  
City Housing  
PO Box 2199  
Wellington 6140  
housingpolicy@wcc.govt.nz

**Re: Feedback on Wellington City Council's proposal on fairer rents for tenants**

Tēnā koe,

Regional Public Health (RPH) is the public health unit for the greater Wellington region (Wairarapa, Hutt Valley and Capital & Coast District Health Boards). Our purpose is to improve and protect the health of the population in the greater Wellington region with a focus on achieving equity. We appreciate the opportunity to provide feedback on Wellington City Council (WCC)'s proposal on fairer rents for tenants.

RPH commends WCC on the important role they have played in providing support for communities during the COVID-19 pandemic. Over the coming months, the economic and social impacts of COVID-19 will become increasingly apparent for many communities. The COVID-19 crisis and the outcomes that lockdown have had, and will continue to have, will impact significantly on vulnerable communities and will exacerbate existing inequities among Māori, Pacific, low-income families, refugees, and seniors. In light of this, RPH commends WCC for reviewing their social housing policy and developing strategies to provide for fairer rents for council tenants, many of whom may be experiencing unemployment, reduced work, and other social and wellbeing impacts due to COVID-19.

Thank you for the opportunity to comment on WCC's *Fairer rents for tenants* proposal. RPH would welcome the opportunity to talk further about WCC's social housing policy in person.

The point of contact for this submission is:

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Ngā mihi

Dr Stephen Palmer  
**Medical Officer of Health**

Peter Gush  
**General Manager**

### **Income-based rents for council tenants**

**RPH supports the proposal by WCC to set tenants' rent based on their income, and supporting long-term security of tenure.**

In addition to meeting basic need for shelter, housing provides a foundation for health and social wellbeing, including family and social stability, access to services, social inclusion, educational and employment outcomes, and good quality of life. **Rent-to-income ratio is a key indicator of wellbeing**, particularly economic and material wellbeing. High rents in Wellington are a significant problem both for those who are unemployed and employed. For those in lower socioeconomic households, monthly rent expenditure accounts for a much higher proportion of their household expenditure. In New Zealand, the prevalence of in-work<sup>1</sup> poverty among renters increases when housing costs are taken into account by approximately 50% (from 8.1% to 12.8%)<sup>2</sup>. Setting tenants' rent based on their income is not only a more equitable way of setting rents, but it also allows for income not spent on rent to be used to support other social determinants of health, for example fresh and healthy foods, education, and health care.

Home ownership in Wellington is one of the most expensive in the country, with the lower quartile house price estimated at \$585,000 in April 2020. While **RPH supports WCC's proposal to increase the limits for tenants' cash assets**, establishing a process for regularly reviewing this, and ensuring that it is assessed in relation to the average house price in Wellington. **RPH recommends that WCC consider whether the flat cash asset limit of \$99,000 is appropriate for different whānau configurations seeking to purchase homes**, recognising that larger whānau may need a larger deposit for a suitable home.

### **Vulnerable tenants**

**RPH commends WCC for proposing ways to equitably support social housing tenants**, given that many of the tenants are part of vulnerable groups with existing health and social challenges, including elderly, refugees and migrants, people with disabilities, and Maori and Pacific whānau. In addition to these groups, there may be tenants who exceed the income cap, for whom social housing is required for other reasons, such as lack of appropriate private rental housing. It is important to recognise that tenants in social housing may experience a range of social, physical and mental health needs which make social housing the most suitable option for them. There may also be tenants who appear to have incomes that would make them ineligible for social housing, or that are high enough to raise their rental payments, but who experience other financial pressures, such as medical and childcare expenses, that make it difficult for them to afford housing. Removing the rent freeze for people aged 80 and over may also create additional vulnerabilities for this group. This is particularly important in the post-COVID-19 context when many individuals and households will be struggling

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<sup>1</sup> Definition of "in-work poverty": households that have one or more working members, yet are still living in poverty. (Plum, A., Pacheco, G., & Hick, R. (2019).

<sup>2</sup> Plum, A., Pacheco, G., & Hick, R. (2019). In-Work Poverty in New Zealand. Auckland. Available at: [https://www.hrc.co.nz/files/8215/7462/2882/In-Work\\_Poverty\\_Report\\_2019.pdf](https://www.hrc.co.nz/files/8215/7462/2882/In-Work_Poverty_Report_2019.pdf)

with financial uncertainty and additional pressures. **RPH recommends that WCC establish transparent processes for individualised assessments of eligibility for social housing and affordability of rent for tenants.**

### **Security of tenure**

Having a safe and secure home is important for psychological wellbeing, as is the ability to deepen community ties by residing in a community over time, participating in local community groups, attending schools in the community and building relationships with friends and neighbours. All of these aspects of individual, whānau, and community wellbeing can be adversely impacted by the need to move due to a tenancy ending. In addition, moving and obtaining a new tenancy has high costs associated with it, which may add a burden to individuals and whānau who already have financial difficulties.

RPH recognises the intent of WCC to “make tenancies more secure” by establishing processes that “consider their health, wellbeing and community ties as well as their ability to rent privately”, rather than having a standard 12 month period before a decision is made to end a tenancy. While RPH supports this intent, we are concerned that this places the onus on the tenant to prove that they can justify the need to remain in their rental housing and that some may be given a shorter period than 12 months to vacate rental housing. There is a lack of transparency regarding what these criteria are, what the process is for tenants to demonstrate they meet these criteria, and what support they will be given through this process. **RPH recommends that WCC provide clear and transparent criteria on how rental tenures will be assessed and the processes used to resolve disputes, as well as include the role of advocates and support staff to work with tenants.**

### **Social Housing and the COVID-19 pandemic**

The COVID-19 pandemic has highlighted the importance of housing, particularly during lockdown when whānau spent more time in their homes than ever before. Whānau living in damp, cold and overcrowded houses are at a greater risk of contracting respiratory illnesses, including COVID-19. In addition to this there has been an increase in notifications of acute rheumatic fever notified in the greater Wellington region. This has directly impacted Māori and Pacific whānau and tamariki who are disproportionately represented due to poverty and poor housing conditions. These issues highlight the need for social housing that is not only affordable, but also warm, dry, safe, and non-crowded.

As part of both the COVID-19 recovery, and in recognition of the inequities already existing in communities in access to high quality housing, **RPH commends WCC on examining their social housing policy more broadly and committing to providing fit-for-purpose housing.**

**RPH recommends that WCC identify how it can best support the provision of warm, dry, safe, and non-crowded homes including through stocktake and remediation of existing housing stock to ensure warm, dry and safe housing for all by 2025.**

Wellington City has an important role, as a landlord, in promoting the health and wellbeing of communities and advancing equity in relation to housing access and affordability. If there is any further assistance RPH can provide in supporting council with the public health aspects of healthy and affordable homes, we would welcome the opportunity.