



**Submission to Social Services Committee
on the Housing Accords and Special Housing Areas Bill
by The Salvation Army (New Zealand, Fiji and Tonga Territory)**

1. BACKGROUND

- 1.1 The Salvation Army is a worldwide evangelical Christian Church and human service provider committed to caring for people, transforming lives and reforming society. The Salvation Army works with people in need, whoever and wherever they are; transforming lives through spiritual renewal; working to reform society by alleviating poverty, deprivation and disadvantage; and challenging evil, injustice and oppression. During 125 years of operation in New Zealand, the Army has carried its social services to people of all ages, regardless of culture, financial position, religious belief or social class.
- 1.2 Through its work with poor and vulnerable people, The Salvation Army's staff and personnel have come to keenly appreciate the role which housing, and specifically the lack of access to decent affordable housing, plays in the hardship and poverty these people face. The Army believes that New Zealand's housing shortage is the worst in over 60 years and that it has arisen though a series of deficient policies and outright neglect dating back to 1991.
- 1.3 The Salvation Army's concern for the provision and supply of decent affordable housing has been expressed both in its policy research and advocacy and in its operational activities.
- 1.4 Across New Zealand the Army provides over 400 social housing units to low income people and households.
- 1.5 The Salvation Army's Social Policy and Parliamentary Unit has taken a long-term interest in housing policy. Its most recent effort in this area has been a reconsideration of the political economy of Auckland's housing titled 'Adding it all up'. This thesis is we believe highly relevant to the question being considered by the Housing Accords and Special Housing Areas Bill and we recommend it as a reference resource for Committee members. This paper is available on line at: <http://www.salvationarmy.org.nz/research-media/social-policy-and-parliamentary-unit/housing/adding-it-all-up/>

2. THE SALVATION ARMY'S PERSPECTIVE ON THE BILL

- 2.1 The Salvation Army supports the sentiments behind the Housing Accords and Special Housing Areas Bill but believes that both the Bill and the thinking behind it fall a long way short of being an adequate response to New Zealand's emerging housing crisis.
- 2.2 We acknowledge and accept that much of the regulation around housing development is cumbersome and unduly bureaucratic and that it imposes unnecessary compliance costs and delays on housing developers and so on housing consumers. To us these costs and delays are difficult to justify and they appear to have few if any offsetting social benefits.
- 2.3 This is not to suggest that regulation and planning controls are not without social merit as clearly there is a place for soundly based building regulation which ensures buildings are safe and healthy and for properly focused planning controls which produce pleasant liveable neighbourhoods and an efficient urban form. The problem here is that the present planning and regulation by local government does not really appear to produce these outcomes and this to us is the fundamental question which should be addressed by this Bill or a similar piece of legislation.
- 2.4 The principal concern which The Salvation Army has with the Bill is that it more or less skirts around the underlying problem of ineffective and inefficient local government planning and regulation and instead offers an ad hoc and short-term response which appears motivated by a sense of urgency around Auckland's worsening housing shortage. The Army believes that a more considered response is required to address this underlying problem and that this response needs specifically to consider questions of how risk might be better managed and distributed and how the performance and accountability of local government can be improved.
- 2.5 A second concern which The Salvation Army has with the Bill is that it is questionable that the mechanisms it promotes will to produce more affordable housing. While the stated purpose of the Bill 'is to enhance housing affordability by facilitating an increase in land and housing supply', the idea that housing affordability can be improved sufficiently simply by speeding up the regulatory process is in our view optimistic to the point of naivety. New Zealand's housing affordability problems are not simply the result of apparent regulatory constraints on urban land supply in high growth areas not also due to growing income inequality, poor tax policy, unregulated foreign investment in housing and market rigidities. There are no credible policy or legislative responses to address these causes and this to The Salvation Army is a great shame.
- 2.6 This lack of a broader focus on housing affordability has been an enduring problem since at least 2003. While The Salvation Army has no fundamental philosophical concerns with the Bill, we believe that it is important not to

become too distracted by the relatively minor contribution which this Bill will make to addressing New Zealand's housing affordability problems. We ask that the Social Services Committee in particular pick up the challenge to address these problems across a broad front of policies and programmes.

3. RESPONSES TO SPECIFIC CLAUSES IN THE BILL

- 3.1 Most of the clauses in the Bill are machinery type provisions which are intended to put the overall objective of the Bill into place. In so far as this overall objective is acceptable there are, in The Salvation Army's opinion, few if any reasons to be concerned about these machinery provisions. The Army's concerns as discussed above are specifically around the wider questions of the performance of local government and policies to improve housing affordability. The Army however has specific comments to make about two clauses of the Bill
- 3.2 Clause 15 which outlines the criteria for 'qualifying developments' is in our opinion unnecessarily narrow and vague and oddly omits any reference to affordable housing. The two criteria identified in clause 15 are not specifically criteria but a description of what the criteria in any specific 'qualifying development' will be. These are the maximum height of buildings and the minimum number of dwellings to be built. While these descriptions deal with the scale of 'qualifying developments' there is no indication within this clause as to what this scale might be - outside of a maximum of six stories. The question of the scale of 'qualifying developments' is, it appears, entirely at the discretion of the Minister of Housing. Such an approach to us appears quite ad hoc and it does not seem appropriate that a Minister should have direct influence and discretion over such policy minutiae as for example whether a build has five or six stories or a development involves 25 or 30 dwellings.
- 3.3 Curiously the proposed criteria for 'qualifying developments' omits any reference to affordable housing. This is curious because the overall focus of the Bill is housing affordability and the principle mechanisms offered in the Bill are housing accords, qualifying developments and special housing areas. The Army believes that for a particular residential development to be classified as a 'qualifying development' and therefore given all the commercial advantages that such a minister directed classification offers, there should be some demonstrable link back to the expressed intent of the legislation.
- 3.4 Clause 82 provides the Chief Executive of whatever Ministry the Prime Minister decides with the powers of a consent authority under the Resource Management Act. This in itself seems a little arbitrary although not as arbitrary as the provisions proposed in clause 85 which allow this Chief Executive to then contract out any work relating to these functions and

powers to a private company or private person. Such an approach, where regulatory powers were contracted out to the private sector, last appeared in the ill-fated Building Act of 1991. This foray into shifting accountability to the private sector has left home owners, taxpayers and ratepayers with a \$11 billion legacy of leaky buildings which shows no sign of being resolved at present. The Salvation Army asks the Social Services Committee to seriously reconsider this provision for contracting out regulatory powers in light of this expensive and unresolved legacy.

4. SUMMARY

The Salvation Army believes that there is ample justification for a comprehensive review of how local government uses its planning and regulatory powers, but we do not believe that the Housing Accords and Special Housing Areas Bill does this in any measured or considered way. The Army is concerned that some elements of the Bill appear ad hoc and arbitrary and we ask the Social Services Committee to consider ways in which these weaknesses might be addressed in the final version of the Bill which it recommends to Parliament. Specifically we request the following three amendments to the Bill.

1. The inclusion in clause 15 of some minimum scale for a 'qualifying development'.
2. The inclusion in clause 15 of specific housing affordability criteria for 'qualifying developments'.
3. The deletion of clause 85 which allows for contracting out of regulatory powers to private companies and private individuals.

For more information, please contact:

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