



# Submission on the WCC Draft Annual Plan 2017/18

Renters United is an advocacy group working on behalf of tenants in the private rental market. We have 360 members, most of them private renters in the Wellington region. We also have supporters who rent in other parts of the country or who own homes.

More detail about Renters United at [www.rentersunited.org.nz](http://www.rentersunited.org.nz)

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## Overview

Renters United wishes to submit on a very specific aspect of your Annual Plan: the absence of any concrete steps towards a mandatory rental Warrant of Fitness (WoF).

We note that the ongoing Housing Taskforce has a work strand entitled “Quality” considering some of the issues addressed in this submission. We attach our input into the Taskforce’s recent Housing Forum as an appendix.

We also note that in your draft Three Year Work Programme, Focus Area 2 contains the following three-year measure of success: “Rental properties meet quality standards (a rental WOF has been introduced)”.

We applaud this goal. However, we are concerned that your draft Annual Plan 2017/18 contains no steps towards achieving this objective. We submit that Council must make steps towards introducing a WoF this year, both as groundwork for introducing a WoF this council term, and to begin offering renters the improvements they urgently need.

The following submission outlines:

- The urgent need for a rental WoF in Wellington.
- The widespread support for a WoF.
- The ability of Council to introduce a WoF, and councilors pledges of support.
- Renters United’s recommended first steps and the estimated costs.

## A rental WoF in Wellington is urgently needed

Roughly half of New Zealand’s population is renting. If this proportion holds true in Wellington, roughly 100,000 Wellingtonians are renters. However, the median age in Wellington is 34 — one of the lowest of New Zealand cities — meaning the proportion of renters may be even higher.

Existing legislation does a poor job of protecting this large and growing group. Because the Residential Tenancies Act does not legislate stringent quality standards, a huge quantity of housing stock is cold, damp and unsafe.

### → Higher minimum standards are needed to protect renters.

The current enforcement regime is also inadequate. The onus is on tenants to report problems — but tenants face numerous barriers to doing so. Some lack confidence or knowledge of their rights. In a fiercely competitive market for rental properties, others fear retaliatory eviction or rent rises. They may also fear blacklisting, particularly as they consign themselves to renting for life and therefore need to preserve their reputation as a ‘good’ tenant. Given these factors it is untenable to expect tenants to enforce standards on behalf of government.

### → Independent and mandatory inspections are essential.

A rental WoF would address both these issues, by providing higher standards enforced with mandatory inspections.

## **While renters wait, poor quality rental housing damages their health**

Low quality rental housing is a major contributor to poor health, particularly for children and other vulnerable groups of renters. According to the New Zealand Medical Association:

*Every day, doctors treat children who are sick because they live in cold, damp and/or moldy houses. The Office of the Children's Commissioner reports that the effects of cold, moldy and damp housing on children contribute up to 42,000 hospital admissions and 15 deaths each year.<sup>1</sup>*

A face to these statistics is the tragic case of Emma-Lita — a toddler who died of pneumonia after her family rented a cold, damp house in South Auckland. The coroner concluded that her cold, damp living conditions “cannot be excluded” as a potential factor contributing to her death.<sup>2</sup>

In Wellington it is likely that renters are getting sick, even dying, because New Zealand politicians delay action to improve housing quality.

As the Paediatric Society of New Zealand wrote last year:

*Time is of the essence... Every year that passes is, for the cohort of infants who live in unhealthy housing, an opportunity missed.<sup>3</sup>*

## **Cold, damp rentals affect the broader wellbeing of our city**

Poor quality housing also affects our city more broadly. Renters are a key part of our economy and when they become needlessly sick, our productivity is damaged. Poor housing may also affect vitality of specific sectors, as noted by the Wellington Youth Council:

*... the strong contribution from tertiary education to Wellington's economy is dependent on high quality student experiences, something undermined by poor quality rental housing available for students. We believe that stronger minimum standards in rental housing will support the development of the tertiary education industry in Wellington by improving student health and quality of life.<sup>4</sup>*

## **There is widespread support for a WoF**

Numerous groups support the concept of a mandatory rental WoF, including the Office of the Children's Commissioner<sup>5</sup>, the Expert Advisory Group on Solutions to Child Poverty<sup>6</sup>, Child Poverty Action Group<sup>7</sup>, Presbyterian Support<sup>8</sup> and the New Zealand Medical Association<sup>9</sup>.

For example, in 2016 the Office of the Children's Commissioner said:

*We continue to believe that a comprehensive rental WOF is required to address the issue of poor quality rental housing.<sup>10</sup>*

Other groups have highlighted the urgent need to improve housing quality, such as Plunket:

*Improvements in New Zealand's housing stock cannot happen quickly enough for the health of our children.... improved housing standards for these children and their families are an absolute priority here in Wellington.<sup>11</sup>*

The general public is also increasingly impatient for action. Emma-Lita's death led to an outpouring of public concern and demands for higher standards. The Office of the Children's Commissioner wrote last year, "The public find it unacceptable that children are needlessly becoming sick and dying due to poor quality housing."<sup>12</sup> Renters United believes that support for a WoF will continue to grow, as providing a healthy property comes to be viewed as a normal cost of doing business for landlords.

## **It is time for Wellington City Council to introduce a WoF**

We believe that it is within the power of Wellington City Council to introduce a rental WoF. There are a range of options that can and should be pursued using existing powers. There is also the option of using differentiated rates categories to incentivise landlords to improve poor quality housing (which we have already discussed with councillors and Council officials). Council has acknowledged that introducing a WoF is within their power by including it as a goal in their three-year work programme.

Ultimately, Renters United will continue to campaign for a national rental WOF legislated by central Government (as well as other improvements to renters rights such as greater security of tenure). Nevertheless, the current political climate makes it difficult to predict when, or if, central Government will act.

The Council now has the opportunity to show leadership by becoming the first council to introduce a WoF. This would pave the way for other councils and ultimately central Government to follow.

It is worth noting that during last year's election many councillors pledged their support for a WoF. According to VUWSA, 8 of 13 councillors pledged to "take all possible steps to ensure Wellington rental properties are covered by a compulsory Rental WoF within the next Council term".<sup>13</sup> These councillors now have the opportunity to turn their pledge into action.

## Introduce two steps into your Annual Plan

Renters United requests that Council include the following two steps in this year's Annual Plan. These measures would lay groundwork towards a WoF while also helping renters now.

### Begin independent rental inspections

- Train existing Council public health officers (PHOs) to inspect against the He Kainga Oranga Warrant of Fitness, as well as the Public Health Act and the upcoming Wellington housing standard.
- Allow renters to request an inspection against the He Kainga Oranga standard. Provide the renters with a written report that they can share with their landlord and/or use to enforce their rights.
- If the number of renters requesting this service exceeds the capacity of existing PHOs, the Council should hire more PHOs.

Estimated costs:

- Initial training of PHOs: **\$5,000**
- Additional PHOs (as needed): we are not privy to the Council's costs here and it would scale depending on the required additional capacity.

### Fund a comprehensive advocacy service for renters

- As mentioned above, under current legislation the primary way for rental standards to improve is by individual renters asserting their right to a safe and healthy home.
- The Council should support this by funding a dedicated tenancy advocacy service designed and led by renters. This could include two tenant advocates and an educator to teach tenants about their rights, supported by an administrator.
- One or more of a number of existing non-government organisations could be funded to provide this service.

Estimated costs:

- Initial setup costs (recruitment, establishing governance systems etc): **\$25,000**
- Operational costs: \$200,000 per year, based on the following estimates:
  - 1.5 FTE advocates: *\$75,000*
  - 0.5 FTE administrator: *\$25,000*
  - 0.5 FTE educator: *\$25,000*
  - Office space and resources: *\$75,000*

## Summary

Wellington City Council should urgently introduce a WoF to protect the wellbeing of renters. The Residential Tenancies Act is inadequate to keep renters warm, dry and safe. Furthermore, with the onus on renters to enforce their rights, many will not enjoy the protections available to them. Stronger minimum standards are needed, enforced by independent, mandatory inspections. A WoF would address both these problems.

There is already widespread support for a WoF from expert organisations and an increasingly impatient public. This is an opportunity for Wellington to show leadership by acting on the conditions that harm renters' health.

We urge the Council to introduce first steps to a WoF into this year's Annual Plan. These steps would lay groundwork towards a WoF, and begin to help renters now.

1. Begin independent rental inspections against the He Kainga Oranga Warrant of Fitness standard.
2. Fund a comprehensive advocacy service for renters.

## References

1. New Zealand Medical Association, *Submission on Healthy Homes Guarantee Bill (No 2)*, 29 Jun 2016. Available at <https://www.parliament.nz/en/pb/sc/submissions-and-advice/>
2. Adam Dunning, "Emma-Lita Bourne death: will anything change?" Stuff, 14 June 2015. <http://www.stuff.co.nz/national/69335033/emmalita-bourne-death-will-anything-change>
3. Paediatric Society of New Zealand, *Submission on the Healthy Homes Guarantee Bill (No 2)*, 29 Jun 2016.
4. Wellington Youth Council, *Submission on the Healthy Homes Guarantee Bill (No 2)*.
5. Office of the Children's Commissioner, *Submission on the Healthy Homes Guarantee Bill (No 2)*.
6. Expert Advisory Group on Solutions to Child Poverty, *Solutions to Child Poverty in New Zealand: Evidence for Action*, 2012. <http://www.occ.org.nz/assets/Uploads/EAG/Final-report/Final-report-Solutions-to-child-poverty-evidence-for-action.pdf>
7. Child Poverty Action Group, "Housing WOFs will see children thrive", 4 March 2016. <http://www.cpag.org.nz/news/media-release-housing-wofs-will-see-children/>
8. RadioNZ, "Rental Warrant of Fitness will cost tenants", 19 July 2013. <http://www.radionz.co.nz/news/regional/214861/rental-warrants-of-fitness-will-cost-tenants>
9. New Zealand Medical Association, *Submission on Healthy Homes Guarantee Bill (No 2)*, 29 Jun 2016.
10. Office of the Children's Commissioner, *Submission on the Healthy Homes Guarantee Bill*.
11. Royal New Zealand Plunket Society, *Submission on the Healthy Homes Guarantee Bill*.
12. Office of the Children's Commissioner, *Submission on the Healthy Homes Guarantee Bill*.
13. VUWSA, "VUWSA welcomes election of student-friendly candidates." <http://www.vuwsa.org.nz/blog/2016/10/9/vuwsa-welcomes-election-of-student-friendly-candidates>

# Appendix: Consolidated feedback from Renters United on the Housing Forum “Better Homes – Address Housing Quality Issues” section

## Develop a Wellington Housing Quality Standard

Renters United wants to see all Wellington homes covered by a mandatory rental Warrant of Fitness. We believe the *He Kainga Oranga* standard, which has already been tested, is ready to be implemented and provides a thorough minimum standard for rental housing.

We support Council’s goal of developing a more comprehensive standard for Wellington — for instance adding resilience measures — but only where that will enhance and complement the *He Kainga Oranga* standard.

We are concerned that developing a Wellington standard will be slow. We do not want to see this slowing down implementation of a universal, mandatory rental WoF.

**We therefore recommend that the Council first adopt the *He Kainga Oranga* standard. This can then be extended to address areas such as resilience in due course.**

We hope for, and expect, a mandatory WoF scheme, and believe this is within the power of Council to implement. However, if the Wellington standard is at first voluntary, then we emphasise the importance of renters being able to request inspections. We believe this will mitigate the concern raised in your document, that “Opt-in inspections may lead to skewed results if predominantly good quality properties taking part.” (see our notes under “Strengthen Council Enforcement of Poor Quality Housing”).

We do not feel that a self-assessment tool has much value for renters. An independent assessment is essential for the standard to have teeth. See below for more of our thoughts on this.

## Strengthen Council Enforcement of Poor Quality Housing

We wholeheartedly support Council increasing its enforcement of existing standards. We also support the Council working more closely with other government agencies. We believe that this has a great deal of overlap with inspections in support of the WoF (and/or the Housing Quality Standard).

We are also heartened by the reference to requiring higher standards than have traditionally been pursued.

**We recommend that Council extend its enforcement service to assessing rental properties against the *He Kainga Oranga* standard.** As well as directly inspecting properties believed to be “dangerous or unsanitary”, the Council should provide inspections when renters request them. The output should be a detailed written report provided to renters. This would provide renters with an independent assessment which they can use to address any issues with their landlord.

These additional inspections may require Council to increase staffing, but we are confident that this investment would be in line with the Council's commitment to address the quality of rental housing in Wellington.

## Develop an Integrated Incentives Package

This section mentions incentives for tenants but to our reading the suggestions relate to various subsidies for landlords. We are keen to hear more about what incentives the Taskforce envisions for renters.

In our view, the most important incentive Council can provide is one to promote compliance with a mandatory Warrant of Fitness. With regard to differentiated rates, we have already provided significant information to the Taskforce on our suggestions around this. However, but we wanted to restate specifically that **we do not think that landlords who comply with the standard should receive reduced rates. Instead our proposal is that non-compliant rental properties are rated at a significantly higher rate** than those that have been independently inspected against the standard. No rental property should pay less rates than if the same property was owner-occupied.

We consider the WoF standard a minimum standard, and as such something that all landlords should meet without the need for subsidies. That said, the Council may wish to incentivise improvements beyond a minimum standard.

We do understand that the uptake of insulation subsidies by landlords has been low. Furthermore, we have heard about renters using their Community Services card to qualify for subsidies — then being given notice shortly after insulation was installed so the landlord's family could move into the property themselves.

If Council does offer subsidies to landlords, these should carry conditions that they benefit tenants, and are not used by landlords to raise rents or give notice unreasonably.

## Education Programme

We welcome education campaigns and are of course open to supporting their design and implementation. By itself an education programme will have very limited effect, but in concert with the implementation of a mandatory WoF and the various other initiatives described here we believe it can play a valuable role.

In devising these campaigns, it is important for us that the Taskforce acknowledges the fundamental imbalance of power in the relationship between landlord and tenant. This is especially true in Wellington's current rental market.

It is also for this reason that we have proposed in our submission on the draft Annual Plan that Council should fund and support a dedicated advocacy service for renters. Here is our description from that submission:

*Under current legislation the primary way for rental standards to improve is by individual renters asserting their right to a safe and healthy home.*

*The Council should support this by funding a dedicated tenancy advocacy service designed and led by renters. This could include two tenant advocates and an educator to teach tenants about their rights, supported by an administrator.*



*One or more of a number of existing non-government organisations could be funded to provide this service.*

*Estimated cost: \$200,000 per year.*

If such a service was established it would likely be an appropriate agency to deliver the components of the education programme that are aimed at renters.

## **Advocate for Legislative Change**

We agree that many of the issues with our rental housing quality and rental rights more broadly are best addressed at a national level. We campaign for this change already and are interested in working with the Council to support their efforts in this area as well.