

Auckland Regional Public Health Service

Rātonga Hauora ā Iwi o Tamaki Makaurau



Working with the people of Auckland, Waitemata and Counties Manukau

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Submission on the Healthy Homes Guarantee Bill (No 2)

Auckland Regional Public Health Service (ARPHS) appreciates the opportunity to provide comments on the Healthy Homes Guarantee Bill (No 2).

The following submission has been prepared by ARPHS and has been endorsed by the Chief Executives of the three District Health Boards it serves (Auckland, Waitemata and Counties Manukau). Please refer to Appendix 4 for more information on ARPHS.

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Once again, thank you for this opportunity to submit on this issue.

Yours sincerely

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Overview and recommendations

1. An unacceptably high proportion of the country's rental accommodation stock (especially that for low and middle income households) is of low quality, damp, excessively mouldy, poorly insulated, and in poor repair. Many thousands of tenants and their children are becoming ill as a result, with extensive long term impacts on tenants' health, productivity, financial situation, educational achievement and general well-being.
2. The current regulation and standards applicable to rental housing in the Building Code 1992 and Housing Improvement Regulations 1947 have been entirely inadequate for ensuring that rental accommodation is habitable (as required under the Residential Tenancies Act).
3. Rental accommodation needs to be treated in regulation as a business, with clear obligations. Rental accommodation is extensively subsidised by tax-payers directly through the Accommodation Supplement and Income-Related Rents, and indirectly through favourable tax treatment (e.g. tax treatment of interest, and minimal Capital Gains tax). However, there needs to be a clear, enforceable complementary obligation for landlords to ensure that accommodation is healthy for tenants to live in. This is currently either missing or very weak.
4. ARPHS and the three Auckland metro DHBs support the concept of the Healthy Homes Guarantee Bill, but recommend that the Bill be extended to include:
 - An obligation for rental properties to be certified in relation to the Residential Tenancy Warrant of Fitness developed by He Kainga Oranga/the Health and Housing Research Centre at the Wellington School of Medicine (see Appendix 1). This has been trialled successfully by a number of local authorities and landlords and produces a positive benefit to cost outcome.
 - An obligation for landlords to ensure that rental accommodation meets a stringent standard throughout a tenancy which covers, among other matters:
 - All requirements of the building's structure, function and suitability for accommodation covered under the Building Act, Section 120C of the Health Act, the Residential Tenancies Act and related regulations.
 - The state of insulation as required under the current Building Code because of the impacts on tenant health and building liveability.
 - Inclusion of a fixed means of efficient heating such as heat pump or approved wood burner which (along with required insulation, draft-proofing and control of

dampness) is capable of heating the living areas and bedrooms to World Health Organisation indoor temperature standards at reasonable cost to the tenant.

➤ Other matters covered in the Residential Tenancy Warrant of Fitness (including safety and injury prevention).

- An obligation for landlords to inform existing and prospective tenants about the current state of the building as related to the Rental Warrant of Fitness, Residential Tenancies Act, Building Act and Health Act; and how, and by when, the landlord intends to rectify any deficiencies.
- A clear mechanism for audit and enforcement which does not depend primarily on complaints from tenants.
- Requiring rental housing to meet the Residential Tenancy Warrant of Fitness standard in order to qualify for any direct or indirect Government subsidies.
- Revision, upgrading and consolidation of the Housing Improvement Regulations 1947. These were developed as part of the slum clearance programme from the 1940s and are outdated. There needs to be a distinct set of health-based housing standards for matters which are not directly specified in the Building Code.

An upward trend

5. Nationally, renting has increased in recent years, with just under one-third of households renting in 2013, compared with just over one-quarter in 1991. In 2013, 453,135 households rented their home.
6. In Auckland, 35% of households who responded in the 2013 Census were rentals - up from 32% in 2006. This is approximately 150,000 rental households in Auckland alone^{1, 2}. This represents a major increase from the time when the tenancy laws were established.
7. Furthermore, people are spending more of their lives in rented accommodation³. A recent Building Research Advisory New Zealand (BRANZ) report⁴ investigated the rate of change happening in the housing market and in particular the growing numbers of intermediary households who are renting into their forties. Projections suggest that many of these people will be lifetime renters due to tougher access to mortgages. That means the introduction of raised

¹ <http://www.stats.govt.nz/Census/about-2006-census/information-by-variable/tenure-of-household.aspx>

Accessed 31 May 2016 and supported by relevant data from tables supplied by StatsNZ

² <http://www.aucklandcouncil.govt.nz/EN/planspoliciesprojects/reports/Documents/aucklanddwellinghouseholdsinitialresults2013census201405.pdf> p10

³ See for example http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11391028

⁴ http://www.branz.co.nz/cms_show_download.php?id=0244f6e1404763f99a49159075ad7f4f70519d2e

standards will positively affect a wide demographic – poor and unhealthy rental stock is no longer only a lower socio-economic issue. It is already evident that the numbers and proportion of retired people renting is increasing. As a worst case scenario, a recent Salvation Army report⁵ forecasts that the number of people aged over 65 and living in private rented accommodation in New Zealand will grow by 240% to around 270,000 people by 2030.

8. Maori are over represented in rental accommodation. Since 1986, the proportion of Maori living in private rentals has increased by up to 88%⁶. In comparison, the total population increase over the same period was 42.7%, and the increase for Pacific people was 58.5%. Given the obligation of the Crown under the Treaty of Waitangi to protect the health and wellbeing of Maori, adequate minimum standards need to be in place.
9. Overall, a growing number of people will spend their whole life in rental accommodation. This changing reality needs to be reflected in legislation which provides at least minimum rental standards which adequately protect people's health and well-being.

Current Housing Stock Quality and Standards

10. The Productivity Commission noted in its report⁷ on housing affordability:

“Generally, the quality of New Zealand’s housing stock is considered to be poor. A periodic survey of housing quality is carried out by the Building Research Advisory New Zealand (BRANZ), the most recent being the first to include rental properties. Although only a small sample, the quality of the rental properties examined by BRANZ was significantly lower than owner occupied housing”.

11. The issue of quality applies both to private rental housing stock and some of Housing New Zealand’s existing housing stock (particularly where properties pre-date 2000, when building standards around insulation were changed)^{8,9}. We are aware Housing New Zealand is improving the quality of its stock.

⁵ Johnson, A. (2015) *Homeless Baby Boomers – Housing poorer baby boomers in their retirement: Prepared by The Salvation Army Social Policy and Parliamentary Unit*. The Salvation Army, Manukau, Auckland. Retrieved from <http://www.salvationarmy.org.nz/sites/default/files/uploads/20151201SPPUSAHomelessbabyBoomersrReportwebv1.pdf>

⁶ Statistics New Zealand (2016) *Maori and Pacific Peoples’ home-ownership falls over 25 percent in cities* [Press release]. Retrieved from http://m.stats.govt.nz/browse_for_stats/people_and_communities/housing/maori-and-pacific-mr

⁷ Productivity Commission (2012) *Housing Affordability Inquiry section 11.4 Quality and Tenure Issues*, accessible through http://www.productivity.govt.nz/sites/default/files/Final%20Housing%20Affordability%20Report_0_0.pdf

⁸ BRANZ House Condition Survey – Condition Comparison by Tenure (2011).

http://www.branz.co.nz/cms_show_download.php?id=53af2b0c2e5ca5169a0176996bba7ee88de082c0

⁹ <http://www.dbh.govt.nz/UserFiles/File/Publications/Building/Guidance-information/pdf/guide-building-code-house-insulation.pdf>

12. The average temperature in almost a third of New Zealand homes is below World Health Organization (WHO) recommendations¹⁰. The WHO recommends a minimum indoor temperature of 18°C, or 21°C for young, elderly or disabled people.
13. The mean temperature in Auckland houses is around 16.5°C¹¹. A 1989 survey of 36 units for older people found that minimum daily temperatures in the living room were below 16°C more than one third of the time during the year¹². A 2006 BRANZ study 'Winter temperatures in New Zealand houses' found that "on average, over the three winter months, living rooms are below 20°C for 83% of the time and living rooms are the warmest rooms in the house^{13,14}. A recent study indicated that 73% of rental houses in New Zealand were found to have mould¹⁵.

Economic, social and health benefits can be obtained from improved rental standards

14. Poor housing conditions contribute to a range of health, educational, economic and social consequences.
15. Housing is one of the key determinants of health and well-being. The range of health conditions associated with poor housing conditions are outlined in Appendix 2. Poor health also limits the ability of an individual to contribute to her/his society and workforce¹⁶, which may limit the ability of those in social housing to achieve housing independence.
16. The costs for government, businesses and the community as a whole have been assessed by agencies such as the Salvation Army¹⁷, and an economic evaluation by Sapere Research Group commissioned by MBIE¹⁸.
17. There are substantial direct costs for the Government, since many families living in substandard housing will be receiving the Accommodation Supplement or be on income-related rent

¹⁰A Healthy Return from Investing in Insulation (2004). Staley. H., Howden-Chapman. P., Presentation to Government officials, Wellington, 25 February 2004.

¹¹Energy in New Zealand Houses: Comfort, physics and consumption (2002). Issacs. N., Saville-Smith. Kay., Camilleri. M., Burrough. L. Available from:

http://www.branz.co.nz/cms_show_download.php?id=a5280831d2e1489927904cc2ef904c1c2301545a

¹²Housing and Health in Auckland (2005). Rakine. J. Auckland Regional Public Health Service. Auckland.

¹³ http://www.branz.co.nz/cms_show_download.php?id=8478d968515ad24b90d44165b95ee3f04e796a10

¹⁴BRANZ House Condition Survey – Condition Comparison by Tenure (2011). Date accessed:

http://www.branz.co.nz/cms_show_download.php?id=53af2b0c2e5ca5169a0176996bba7ee88de082c0

¹⁵BRANZ House Condition Survey – Condition Comparison by Tenure (2011). Date accessed:

http://www.branz.co.nz/cms_show_download.php?id=53af2b0c2e5ca5169a0176996bba7ee88de082c0

¹⁶ Living Standards in New Zealand (2004). Page 92. <http://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/monitoring/living-standards-report.pdf>

¹⁷ Salvation Army (2013): *Give Me Shelter. An assessment of New Zealand's Housing assistance policies*. Salvation Army, Auckland.

¹⁸ Blick G, Davies P. *Cost benefit analysis for a minimum standard for rental housing. Report prepared for the Ministry of Business, Innovation and Employment*. Sapere Research Group, Auckland. November 2014

tenancies. Indirect costs to government come from health and education impacts. Lost productivity linked to substandard housing affects the economy and community.

18. The experience of health sector and community agencies who work with families with lower incomes indicates that the situation is deteriorating for many families, especially as housing costs increase, notably in Auckland. In the face of increasing accommodation costs, households may need to compromise on housing size, quality and/or location (resulting in overcrowding, substandard conditions and higher transport costs) and/or spending on health, education, food, clothing or other essential goods and services.
19. Research by *He Kainga Oranga/The Housing and Health Research Programme* shows that improvements can be made to the habitability of rental housing at low cost through improved insulation, ventilation and heating, reduction of injury hazards and compliance with existing housing and building standards.
20. Improved housing quality has been shown to result in improved health outcomes, as well as increased attendance at school and work. A research project evaluating the benefits of insulation in housing in 1,400 homes in Otara and other locations in New Zealand found people in the houses reported:
 - Improved health
 - Adults visited their family doctor significantly less
 - Both adults and children took fewer days off school or work with illness.
21. These benefits were valued at \$3,640 per house, twice the \$1,800 cost of installing insulation¹⁹.
22. A more recent cost benefit analysis of the benefits of home insulation to the health and other costs assessed the Warm Up New Zealand: Heat Smart Programme. The study found an even higher cost- benefit-cost ratio of 1:3.9 (with a range between 1:26 and 4.6)²⁰.

Enforcement and implementation

23. The success of any minimum standards developed from this Bill will be dependent on the level of compliance from landlords. Sapere Research Group's 2014 report²¹ noted that there will never

¹⁹ He Kainga Oranga/Housing and Health Research Programme, The Housing, Insulation and Health Study - Preliminary results, 2003, www.wnmeds.ac.nz/Academic/Dph/research/housing/publications.html

²⁰ Cost Benefit Analysis of the Warm Up New Zealand: Heat Smart Programme (2011). Grimes. A., Denne. T., Howden-Chapman. P., Arnold. R., Telfar-Barnard. T., Preval. N., Young. C. Accessed from: http://www.healthyhousing.org.nz/wp-content/uploads/2012/05/NZIF_CBA_report-Final-Revised-0612.pdf

²¹ Blick G, Davies P. *Cost benefit analysis for a minimum standard for rental housing. Report prepared for the Ministry of Business, Innovation and Employment.* Sapere Research Group, Auckland. November 2014

be perfect take-up, and all else being equal, the greater resource commitment given to enforcement, the more likely that compliance will be greater.

24. We consider some form of third party monitoring is required to remove some of the onus on the tenant to uphold rental housing standards. If landlords are non-compliant in the private rental market, then the trigger to consider whether a rental property (not undergoing works) complies with any new minimum insulation and heating standards is reliant on the tenant raising the matter directly with the landlord, and if this is unsuccessful in resolving the matter, taking the landlord to the Tenancy Tribunal. This compliance mechanism relies heavily on the tenant knowing their rights, as well as their will to potentially take formal action against the landlord for the 'unlawful act'.
25. Section 54 of the Residential Tenancies Act protects tenants from retaliatory eviction if they complain about substandard conditions. However, despite these provisions, a power imbalance still exists between the landlord and tenant. For instance:
 - Continuing a tenancy after a retaliatory notice is awarded would be difficult for a tenant, as such an outcome has the potential to undermine the ongoing tenant-landlord relationship;
 - Vulnerable tenants may potentially fear 'eviction by stealth' should they complain about substandard conditions. Landlords may give notice, raise the rent (which can be increased every 180 days), or not renew a short-term tenancy agreement;
 - Most property management companies in Auckland that manage rental properties now require a reference from the tenant's previous landlord. Tenants may not want to complain if they feel this will jeopardise their chances of receiving a good reference from their existing landlord. This issue is especially relevant in a highly competitive rental market like Auckland, where supply is stretched and a good reference can give you a competitive advantage over other renters;
 - As mentioned, the effectiveness of the existing resolution mechanism requires all tenants to be aware of their rights when it comes to the minimum rental standards. This further supports the need for a comprehensive education campaign if the Regulations are updated.
26. In light of the above, we consider a designated monitoring, compliance and enforcement system, overseen by a third party, needs to be established to support the development of any new minimum rental standards to ensure landlord compliance.

27. ARPHS therefore supports a 'Motor Vehicle WOF' model as outlined Sapere Research Group's 2014 report. We note this model is the most effective option in terms of compliance out of the four enforcement options considered by Sapere.
28. Improved housing quality should result in reduced household costs for energy and medical services, as well as improved health, productivity and well-being. These benefits have broad economic and community benefits.
29. Current policy of housing subsidies (including the Accommodation Supplement, Income-Related Rent and tax concessions) without landlord obligation encourages substandard housing to continue. We strongly recommend linking eligibility for subsidies to having a Rental Housing Warrant of Fitness. This would provide a strong incentive for landlords to upgrade housing to meet standards, or to remove the house from the market so that the land can be re-developed. In Auckland this could assist with improving housing density as well as reducing the estimated gap of 20-30,000 units for middle and lower income households.

Conclusion

30. Thank you for the opportunity to provide comments on the Healthy Homes Guarantee Bill (No 2).

Appendix 1: Checklist for Proposed Residential Tenancy WOF and Related Regulations

	Checklist Items	Relevant Regulation, Code or Practice
1	Is there a functional, safe stove-top and oven?	HIR Reg 7
2	Is there adequate space for food preparation and storage?	HIR Reg 7
3	Is there an adequate supply of hot and cold potable water?	HIR Reg 9
4	Is the hot water at the tap 55°C ±5°C?	Building Code G12/AS1
5	Is there a functional toilet, which does not have a cracked or broken seat, cistern or bowl?	HIR Reg 9 (state of repair could be under Nuisance provisions)
6	Is there a suitably located bath or shower in good working order?	HIR Reg 9
7	Are there secure or high level cupboards or shelves for storing hazardous or toxic substances out of children's reach?	HSNO (implied)
8	Is there a fixed form of safe and effective space heating?	HIR Reg 6
9	Do the bathroom, kitchen and all bedrooms have some form of ventilation to outside?	HIR Reg 9
10	Is the house reasonably free of visible mould, i.e. the total area of mould is less than an A4 sheet of paper?	HIR Reg 15
11	Are the power outlets and light switches safe and in good working order?	Electrical (Safety) regulations 2010
12	Is there adequate indoor lighting?	HIR Reg 11
13	Does the house have adequate working smoke alarms?	RTA Amendment
14	Have the windows got effective latches?	BC – safety
15	Have high windows got security stays?	Good practice (security, safety)
16	Are there curtains or blinds in the bedrooms and living area?	Functional – privacy, thermal
17	Do glass doors have safety visibility strips?	BC
18	Does the house have thermoplastic insulated cabling?	Electrical (Safety) regulations 2010

19	Does the house have ceiling insulation to WOF standards?	RTA Amendment
20	Does the house have under-floor insulation to WOF standards?	RTA Amendment
21	Is the house weather tight with no evident leaks, or moisture stains on the walls or ceiling?	HIR Reg 15
22	Is a ground vapour barrier installed under the ground floor?	Related to HIR Reg 15 and Building Code
23	Is the house in a reasonable state of repair?	RTA 45(1)
24	Is the storm and waste water drainage being adequately discharged?	HIR Reg 14 Building Code
25	Is there any water ponding under the house?	HIR Reg 14
26	Is there adequate outdoor lighting near entrance ways?	Building Code(?). Safety practice
27	Does the house appear to be structurally sound?	Building Act, RTA s45, HIR
28	Are there handrails for all internal stairs and all outdoor steps that access the house, and do balconies/decks have balustrades to the current Building Code?	HIR and Building Code
29	Is the fire egress to the current Building Code?	Building Code
30	Is the address clearly labelled and identifiable?	Functional, safety
31	Are there securely locking doors?	Functional, safety (relate to BC)

Abbreviations: HIR: Housing Improvement Regulations 1947

BC: Building Code

RTA: Residential Tenancies Act 1986

HSNO: Hazardous Substances and New Organisms Act and Regulations

Table 1 Current Regulations Applicable to Existing Housing Stock ²²

Legislation	Date	Quality Requirements	Responsibility for Enforcement	Responsibility for Administration
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²² INSTITUTIONAL CHALLENGES IN ADDRESSING HEALTHY LOW-COST HOUSING FOR ALL: LEARNING FROM PAST POLICY, Sarah Bierre, Philippa Howden-Chapman, Louise Signal, Chris Cunningham, p4 <https://www.ms.govt.nz/documents/about-msd-and-our.../30-pages42-64.doc>

Housing Improvement Regulations (brought in under the Housing Improvement and Slum Clearance Act 1945)	1947	Prescriptive list of requirements, including heating, amenities, and number of people per room	Local government	Ministry of Health (with the Minister for Housing)
Health Act	1956	Free from nuisance and insanitary conditions	Local government	Ministry of Health
Residential Tenancies Act	1986	“Reasonable condition” and compliance with relevant legislation	Tenancy Services and Tribunal	Department of Building and Housing
The Building Act and Code (code under review)	2004	Free from nuisance and insanitary conditions	Local government	Department of Building and Housing

Appendix 2: Health and poor quality housing

Poor housing conditions are associated with a wide range of health conditions (as listed below). Secure and affordable housing improves the ability of households in greatest need to provide a healthy and stable environment for their children with consequent longer term improvements in health, employment and educational outcomes²³.

Poor housing conditions associated with a wide range of health conditions including^{24, 25,26}:

- Respiratory infections associated with cold conditions and poor air quality
 - Bronchitis
 - Pneumonia
 - Asthma
- Communicable diseases associated with overcrowding
 - Tuberculosis
 - Meningococcal Disease
 - Skin infections e.g. cellulitis
 - Scabies
- Rheumatic fever
- Lead poisoning
- Exposure to friable asbestos
- Injuries due to unsafe conditions
- Poor mental health^{27,28, 29}.

²³ Housing New Zealand Corporation, (2004). *Building the Future: Towards a New Zealand Housing Strategy: a discussion document* Wellington

²⁴ 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*.

²⁵ Wellington School of Medicine and Health Sciences-10th Public Health Summer School Course Book.

²⁵ <http://www.stuff.co.nz/national/health/8768249/House-overcrowding-disease-fears>

²⁶ Infectious Diseases Attributable to Household Crowding in New Zealand: A Systematic Review and Burden of Disease Estimate (2013). Baker, M.G., McDonald. McDonald. A., Zhang.J., Howden-Chapman. P. He Kainga Oranga /Housing and Health Research Programme. University of Otago. Wellington.

²⁷ Krieger, F. Higgins, D. Housing and Health Time Again for Public Health Action *American Journal of Public Health*, May 2002. p.758 Washington DC

The Centre for Housing Research paper 'Children's Housing Futures'³⁰ highlights the importance of resolving children's housing issues not only as a means to address concerns for their well-being during childhood but also as a pathway to ensuring their growth into productively engaged adults.

²⁸ 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.

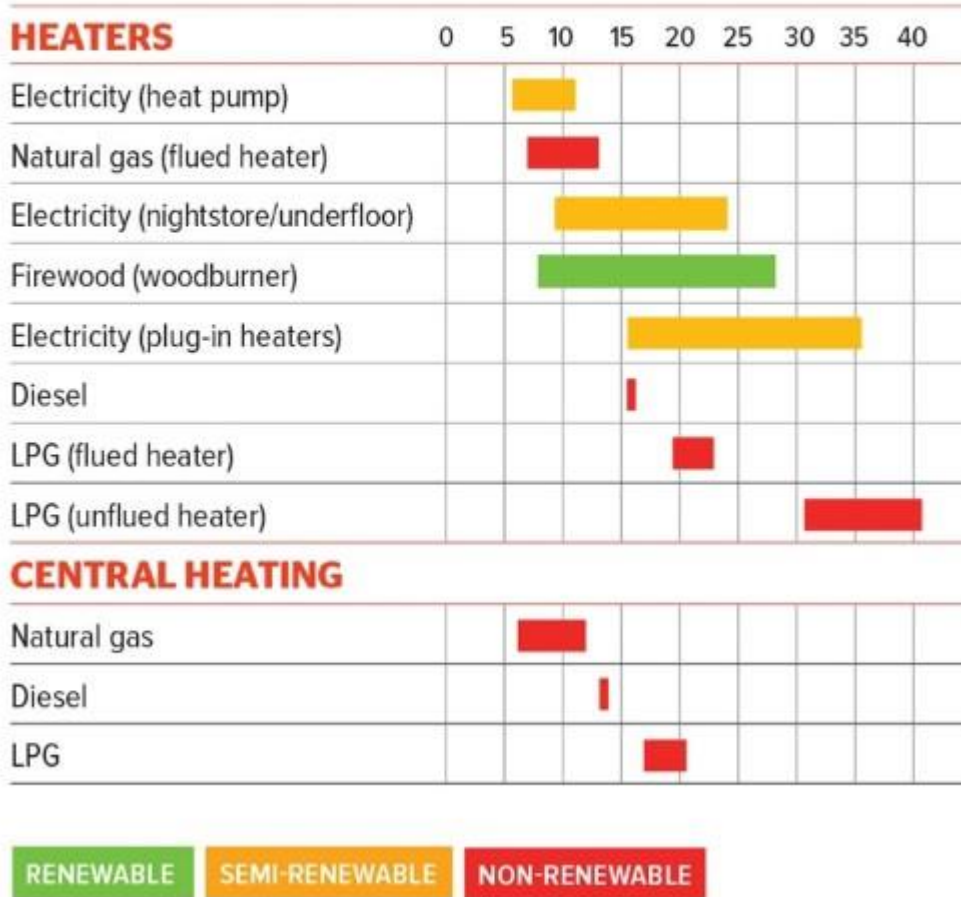
Wellington School of Medicine and Health Sciences-10th Public Health Summer School Course Book.

²⁹ <http://www.stuff.co.nz/national/health/8768249/House-overcrowding-disease-fears>

³⁰ James B & Saville-Smith K (2010) Children's Housing Futures. Public Policy and Research/CRESA for the Centre for Housing Research Aotearoa New Zealand.

Home heating costs 2015

(cents per kWh)



Source: <https://www.consumer.org.nz/topics/home-energy-costs>

Accessed: 25/05/2016

Appendix 4 - Auckland Regional Public Health Service

District Health Boards have a statutory obligation to improve, promote and protect the health of people and communities in their districts, under the New Zealand Public Health and Disability Act 2000.

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).

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, infrastructure requirements, the balancing of transport needs, and the reconciliation of urban design and urban intensification issues.