CHURCH LEADERS MEETING WITH PRIME MINISTER-18 MARCH 2022

Position Papers

- **1** HOUSING AND HOMELESSNESS
- 2 STRENGTHENING DEMOCRACY TO GROW WELLBEING AND SOCIAL COHESION

'Be strong and let your heart take courage' Psalm 31:24a

We acknowledge this Government's commitment to reducing inequality and improving the wellbeing of all New Zealanders. We acknowledge that this commitment has been exacerbated by global forces—a pandemic, climate change induced national disasters, changing geo-political relationships, wars, uncertain economic outlook and terror attacks. The challenge of leadership has never been harder and more important.

The impacts of housing-driven inequity are feeding hopelessness for many. This follows decades of changes which have entrenched poverty across many communities. This trend, supported by corossive social media platforms, is the breeding ground for extremism. This has been a long time in the making and it is questionable whether our current public policy approach alone can lead us to a better future.

New Zealand stands poised before two futures: one where part of the population gains at the expense of others, and one where all who live in Aotearoa are able to share in the wealth and the opportunities available. Your Government has made bold statements in favour of this second future and has made some changes. We are in the midst of a generation-defining transfer of wealth—largely expressed through housing. Something needs to shift to give effect to the bold vision your Government holds.

All New Zealanders deserve the opportunity to create secure assets over their lifetimes, but with the decrease in home ownership among middle- and lowerincome New Zealanders, we fear for the fundamental stability of families and communities. International measures of wellbeing always include both income and asset equity. This Government has actioned strong change to improve the first, but the second remains sorely lacking.

As wealth inequity grows, we urge *this* Government to embrace creative and fundamental change—both home-grown innovative ideas and those influenced by successful international innovation. We need a whole-of-government solution that achieves consensus, prioritises a strong participatory approach and outlasts politicking. We should be open to any and every solution, not just what is comfortable or what has worked in the past.

We all need to exercise leadership that helps create policies and institutions that reduce inequality, grows social cohension and enhances inter-generational wellbeing.

We offer two reflection papers to support a conversation on this context:

- 1 Housing and Homelessness
- 2 Strengthening Democracy to growing wellbeing and social cohesion

1 Housing and Homelessness

As Church Leaders, we share a vision of fairness, wholeness of life and commitment to the common good of New Zealanders across all faiths and cultures. Access to safe, affordable and stable housing is central to this vision and essential for people's wellbeing.

A lack of affordable housing is at the heart of the poverty crisis for families/ whānau and communities in this country. While steps have been made to improve the situation in recent years, the history of successive governments' failure to act has resulted in the dire situation we have at present.

We hold it to be the responsibility of this Government to ensure the wealth and resources of Aotearoa New Zealand are shared justly and fairly. Government must ensure all citizens can access safe, fit-for-purpose affordable housing—whether as renters or home-owners—as a critical way to maintain our collective health and prosperity. The treatment of housing as an investment strategy in Aotearoa must be addressed, especially in light of the recommendations of this Government's Tax Working Group.

This, our third housing paper, builds upon the earlier papers provided by the Church Leaders since the current Government has been in office. While we appreciate the intensive activity to address the housing crisis, we argue the need and urgency for even stronger action. Historically, a greater proportion of lowincome households, including those in our Māori and Pasifika communities, could access affordable housing. This access has now been lost. We urgently need to rectify this to avoid exacerbating existing inequities in Aotearoa. The third sector can help this Government to achieve this.

In this paper, we highlight three important and interconnected aspects of the current housing and homelessness crisis that are of particular concern for Church Leaders.

- 1 The need to prevent and respond to rangatahi (young people) homelessness.
- 2 The urgency of shifting from emergency/transitional responses to investment in supporting people into stable long-term rentals, including Housing First initiatives.
- **3** A greater focus on all elements of the housing continuum, including scaling up progressive home ownership initiatives like shared-equity home ownership and rent-to-buy schemes.

We also offer potential solutions where Church Leaders can actively work alongside this (and future) Government(s) to achieve outcomes.

During the Covid-19 response we have all seen what can be achieved. The common sense of urgency has made possible incredible things. The same sense of urgency must be applied to housing. We must be focused on solutions that will make a difference across the whole housing continuum, before the subsequent wealth inequalities it generates cannot be rectified.

Rangatahi homelessness

Church Leaders support the recent investment into bespoke emergency housing provision for rangatahi experiencing homelessness (Franks, 2021). We also understand that there is currently a strong emphasis emerging within Government towards specific youth housing solutions in response to the alarming number of young people who are presenting as homeless. However, the Government needs to have a much greater focus on both preventing and ending rangatahi homelessness.

The recent Youth19 survey found that 29 percent of students had experienced some form of housing deprivation in the last twelve months, with two out of every 100 students reporting that they were living in severe housing deprivation, i.e. living in emergency housing, marae, hostels, cars, or vans because they and their family have no other options (Clark et al., 2021).

Not surprisingly, the researchers found that youth housing deprivation affects Māori, Pasifika and other ethnic groups at a disproportionately higher rate. We also observe this higher rate of housing deprivation and homelessness in our youth with disabilities, and rainbow and takatāpui (LGBTQI+) rangatahi.

Housing deprivation has significant negative impacts on young people's wellbeing. Students who have experienced any type of housing deprivation in the past 12 months are more likely to have:

- poor access to healthcare when needed, and poorer overall physical and mental wellbeing
- strained family relationships
- less connection to schooling and peer friendships
- greater emotional and mental distress
- increased risk of violence and more concerns about safety
- more experiences of discrimination (Clark et al., 2021).

As Church Leaders we support your Government's focus on wellbeing and child poverty. Youth homelessness is one of the devasting outcomes of family poverty which severely undermines wellbeing at a crucial stage of development—the transition to adulthood. We believe the Government must:

- invest in the development and implementation of evidence-based approaches adapted for Aotearoa to address rangatahi homelessness
- ensure the investment includes room for adaptive responses for different cohorts of youth, including individual and congregate models
- include a strong rangatahi focus as part of a comprehensive strategy to address housing and homelessness across the housing continuum.

From emergency motels and transitional housing to permanent housing solutions

Effective responses to homelessness are centred in access to stable, fit-forpurpose secure housing. We accept and appreciate that emergency, temporary and transitional housing responses are unavoidable during a housing and public health crisis. However, in order to end homelessness, investment must shift to long-term housing options that provide security of tenure. Indeed, this approach is central to the Aotearoa Homelessness Action Plan 2020-2023 (Ministry of Housing and Urban Development, 2020). Unfortunately, government investment in transitional housing continues to grow with limited clarity about where affordable long-term tenancies will be obtained for people within these programmes to transition into.

The evidence for what works to end homelessness for individuals is clear: housingled solutions work. Quick access to a stable home has positive housing outcomes when compared to the staircase approach (which involves conditional movement through emergency, transitional and other forms of temporary living situations before attaining a stable home). **Person-centred and whānau-led** approaches where people identify their own needs and help to shape their support are also highly effective (Mackie et al., 2019). Housing First is an example of a housing and whānau-led response for people experiencing chronic homelessness with a particularly compelling evidence base and is already being successfully implemented throughout the country.¹ Despite this, many governments (including New Zealand) continue to invest in temporary and transitional housing when there is a sustainable, successful, evidence-based alternative ready for further investment.

The Church Leaders strongly urge the Government to shift investment from crisis response (emergency and transitional housing) to stable permanent options. This can be done by:

- rapidly converting transitional housing places and contracts (where appropriate) into long-term social housing
- investing decisively across the housing continuum into all forms of stable housing tenure
- fast-tracking partnerships with the community sector to build bespoke and localised housing solutions adapted to community needs.

Focus on the whole housing continuum and create greater access to home ownership for low-income households

The Church Leaders strongly support your Government's intent to 're-establish housing's primary role as a home rather than a financial asset' (Ministry of Housing and Urban Development, 2021, p.17). We also endorse the Government's intent to set an overarching direction for housing and urban development through the development of a Government Policy Statement on Housing and Urban Development.

¹ The evidence base is for the effectiveness of housing-led approaches is strongest for people experiencing chronic homelessness. Recent studies point to access to affordable housing in order to address family homelessness (Gubits et al., 2018) and the need for further research on effective interventions to prevent and end youth homelessness (Morton et al., 2020).

At the same time, we wish to express our dismay at the worsening housing crisis despite the Government's considerable activity in this area. The private market has failed to deliver affordable, stable housing to low-income households. It simply does not supply sufficient low-cost housing to meet the growing need. House price inflation is leading to a huge wealth transfer between those already in home ownership and those who cannot afford to buy. The rental housing stock in the private sector is expensive and recent law changes to improve security of tenure are not sufficient when increasing rents undermine lower income households' ability to remain in these now-secured tenancies.

Census data shows that home ownership rates are at their lowest since the 1950s (64.5 percent in 2018) and rates have fallen the most for Pasifika (31 percent) and Māori (21 percent) [Stats NZ, 2020].

Families are also paying a significant and unsustainable proportion of their income in rent. Data from the Stats NZ shows that more renters than ever are overburdened by housing costs.

The proportion of renters spending more than 30 percent of income on housing costs increased from less than 20 percent of renters in 1988 to about 45 percent of renters a decade later, before partially falling again in the early 2000s (Stats NZ, 2020, p. 46).

The struggle to pay rent undermines the sense of 'home' experienced by many low-income households.

A house is not a home when it is too costly, people feel disabled by poverty both economic and lack of capability or capacity, a lack of security, derelict or surrounded by conflict (Saville-Smith, 2019, p. ii).

Financial hardship, food insecurity and other basic pressures on daily living costs can all be linked back to inadequate housing solutions across socio-economic groups in Aotearoa. The huge demand for food during the August to September lockdown in Auckland is further evidence of the hardship many whānau are experiencing, and points to the unbalanced relationship between income levels and cost of renting.

There is robust evidence that renting in the private housing market does not lead to security of tenure in Aotearoa:

Research from the Growing Up in New Zealand study (Morton et al., 2014) found that between birth and nine months, 'children born into families residing in private rental accommodation were the most likely to have experienced early [residential] mobility, with nearly 1 in 2 (49 percent) having moved at least once, compared to fewer than 1 in 5 experiencing mobility if their families were homeowners' (Stats NZ, 2020, p. 39).

The Church Leaders continue to be alarmed at the limited involvement of the expertise of the community sector in efforts to address the housing crisis despite the following statement in the GPS-HUD:

The community housing sector is well placed to partner with government and play an increasing and important role in helping to meet a diverse range of needs. Registered Community Housing Providers already have a specific and regulated role in providing public housing and are committed to being part of the solution (HUD, 2021, p.31)

A major barrier to the greater involvement of the Community Housing Sector has been the lack of guarantor provisions to address their Board's aversion to the level of debt required to undertake housing developments (New Zealand Christian Council of Social Services, 2021, p. 5). This is counter-productive as many of these providers have access to land that can be used for housing development. Internationally, much larger proportions of housing stock (10 percent in England) are built and managed by the not-for-profit sector, such as Housing Associations. With appropriate government partnership, these skilled organisations would be well equipped to lead in this space and alleviate the stresses in this area.

Beyond secure renting, home ownership remains the aspiration of many New Zealanders and their families, but without intervention and assistance this dream grows further from reach as these inequities grow. This Government needs stronger investment in home ownership products such as shared equity and rent-to-buy schemes. The disturbing drop in home ownership, particularly for Māori and Pasifika, is in part the cause of the increased demand on the rental market. A much greater focus on creating opportunities for middle- to low-income Māori and Pasifika to buy their own homes through shared equity, rent to buy and papakāinga developments will increase housing security. In turn, as rates of home ownership increase, there will be a reduction in pressure on the rental housing sector as a whole.

To effect change on these issues, we recommend to following.

- Ensure equality of investment in home-ownership initiatives (shared equity, rent to buy, etc...) as is placed on emergency, transitional and state housing. This will increase housing security and help prevent the further collapse of tenure down the continuum.
- Broaden the housing developers from Kāinga Ora and private developers to include a greater role for Community Housing Providers. Build this capacity of the third sector with realistic investment incentives and a broader range of Kāinga Ora contracts focused on shared equity and rent-to-buy schemes.
- Set up a Housing Expert Advisory Group (HEAG) that includes strong community housing participation, along the lines of the successful Welfare Expert Advisory Group to recommend a broad range of short- and middleterm initiatives that implement the ideals set out in the Government Policy Statement—Housing and Urban Development and enable people to move through the housing continuum to greater housing security.

Compassionate, evidence-based solutions

Sustainable and innovative answers to the issue of housing our nation is possible, but only with decisive action and collaboration between this Government and the community providers already doing this valuable work. Transforming our homelessness intervention strategies so they are fit for purpose for the diverse people who need them is instrumental to their success, and programmes to support and expand the rate of low-income home ownership will change the dynamic of the housing market as a whole, for both property owners and renters. We are certain that these recommendations work towards the wellbeing of all New Zealanders, and safeguard those yet to come against the wealth and property inequity our current system supports.

2 Strengthening democracy to grow wellbeing and social cohesion

We commend the courage and leadership of your Government in tackling complex issues that undermine our and future generations' wellbeing. From climate change to poverty and racism, strong political leadership is needed to grow the buy-in required to move the dial on these critical issues. To achieve measurable change, our democracy and public policy process need to evolve. How we arrive at solutions and implement them is critical to achieving lasting outcomes. The welfare system designed in the post-war period struggles to cater for the realities and complexities of our modern world. Recent disparate protests signal a concerning 'disconnect' by a sub-group of citizens who could be exploited by suspect international networks. In the face of these challenges, we need more democracy. We encourage Government to step-up efforts to use participatory and open forms of engagement and policy development at local and national levels to help strengthen social cohesion. In saying this, we acknowledge the need for decisive leadership at critical points, for example, the public health response to a pandemic.

Growing cross-party parliamentary leadership

Complex issues cannot be solved by any single group in isolation, and executive government is no exception. Political and non-political leadership is needed to weave together the input of many stakeholders in crafting viable and sustainable solutions, prioritising the unique status of Māori under Te Tiriti o Waitangi. We encourage you to continue to grow consensus responses in Parliament. The passing last week of The Russia Sanctions Bill is an excellent example of a Parliament's ability to reach consensus on the kaupapa (principle) of an issue, with room for opposition on the semantics.

With our unique MMP system, our Parliament's diversity is its strength, and this can play a greater role if forums and mechanisms are developed for this diversity to inform and guide change. This should include having key public agencies that monitor and guide inter-generational wellbeing reporting to Parliament as opposed to the Executive.

We are concerned that the fundamental design of the public sector perpetuates a way of engagement with communities that is not mana enhancing. Our current public policy process is based on the New Public Management thinking introduced in the 1980s. This approach and its focus on market, management and metrics is no longer fit for purpose and its ongoing operation undermines our ability to negotiate the big issues of our time. There is a growing cynicism of the political system with its restrictive binary design. We encourage your leadership to help negate this trend and restore New Zealand's pride in reputation as a leading liberal democracy. As Church Leaders we urge this Government to:

- prioritise cross-party parliamentary leadership and collaboration to safeguard progress from short-term politicking
- value and invest in the social infrastructure and the community sector that our communities rely on to function with wellbeing at the heart
- use the New Public Sector Act to develop the public service knowledge of and skills in participatory approaches and community-led development
- direct the Ministry of Justice and Law Commission to provide advice/ suggestions on actions Parliament could take to enhance use and application of collaborative decision-making that gives effect to Te Tiriti o Waitangi and promotes inter-generational wellbeing
- direct central government agencies to partner with local government more intentionally in the development of policy advice using participatory methodologies
- propose a cross-party working group to provide advice on how Parliament can adopt more consensus-building approaches.

Te Tiriti o Waitangi and wellbeing

New Zealand has the unique taonga (treasure) in Te Tiriti o Waitangi to enable the mōhiotanga (understanding) and māramatanga (enlightenment) from te ao Māori to actively shape life for all New Zealanders. Article 3 of Te Tiriti provides a doorway to ensure participatory approaches to all policy development, so that the knowledge and insights of all citizens informs policy to strengthen our families and communities. The Public Service Act 2020 reinforces this core responsibility on the public service.

We encourage Government to continue to give effect to Te Tiriti o Waitangi, applying the articles throughout policy initiatives to bolster quality of life for all New Zealanders. As our country transitions from settling past grievances to investing in wellbeing, the leadership of iwi, hapū and kaupapa Māori initiatives will play a critical role in designing and implementing new approaches for Māori and the entire population. These approaches will help tackle the historical racism that is embedded in many ageing institutions while creating new ways to embellish a relationally rich community.

The Wellbeing budget framework and Te Tiriti are valuable assets to balance the competing interests while factoring in future generations to democratic processes. Now is the time to give effect to evolving our democracy to ensure it is agile and genuinely fit for the twenty-first century.

As Church Leaders we hold that the values of Te Tiriti are intrinsic to the success of any New Zealand future, especially one with wellbeing of the community at its heart. The Government can honour Te Tiriti in this sphere by continuing to use the Wellbeing budget and living standards framework to drive intergenerational thinking and policy making under a Te Tiriti o Waitangi approach.

Valuing community engagement to grow the 'social' infrastructure

Effective change in local communities occurs when citizens are engaged and active in the educational and solution-seeking process. Investment in and recognition of the critical role of social infrastructure and the organisations that facilitate it provide an avenue for this level of engagement to be promoted and celebrated. Instead of being passive recipients of the outcome, engaged citizens are much more likely to take on and 'own' those solutions. We want Government to support communities across Aotearoa New Zealand to engage all its members in such meaningful activities.

While timely attention is being given to rebuilding our critical physical infrastructure—such as hospitals, bridges, schools—frequently this ignores our less visible but equally important social infrastructure. Community relationships and connections form our social infrastructure and are just as vital as physical infrastructure. More active support and recognition of the social and relational aspects of community and the roles of the not-for-profit and community networks by Government will strengthen our collective wellbeing.

Fortunately, there is growing international research on how to design and facilitate participatory approaches to achieve systems change, and, even more importantly, evidence that such approaches can be hugely successful. Some of this thinking comes from the community development sector, and talks about ways to build community interest, grow local leadership, cross-sector links and engagement in public processes. Some of the thinking comes from the political arena, and describes methods, like citizens' assemblies, devolution of council budgets to communities, and crowdsourced legislation, which can allow that deeper participation. The thread running through all of these ideas is the importance of co-creation, and of communities capable of designing responses to issues that affect them directly alongside politicians, officials and relevant experts.

To support and develop this public discourse, we recommend the following.

- Direct Social Wellbeing Agency to ensure wide and genuine citizen participation is built into its social wellbeing approach as highlighted by the 'Human Learning System' approach.
- Encourage the Ministry of Education to include teaching and practical examples of participatory democracy within the civics curriculum.

Fostering citizen leadership

A government that reflects the values and ideals of the people is created by its citizens. As our understanding of the importance of active citizenry widens and our political involvement extends beyond exercising a vote every three years, we realise the potential to craft more robust, inclusive and sustainable responses to issues. We are certain that actively embracing participatory democracy is an antidote for today's democratic woes and will better equip us to negotiate the complex issues.

In conclusion

As in years before, we look to the leadership of this Government to enact changes to the issues we see so widely in our communities. While we have been rocked these last few years by circumstances we could not have foreseen, this does not reduce the impact of these pressing issues of housing and social cohesion, nor negate the need for action on these fronts. As Church Leaders, we put forward these recommendations and the assurance of collaboration in these areas.

Recommendations—housing

- Prioritise a strong focus on homeless rangatahi, including the investment in evidence-based approaches and adaptive responses to their unique needs
- Promote the conversion of transitional and ladder-based housing models to long-term social housing in concert with the community sector
- Facilitate the increase in low-income home ownership through investment and support for shared home-ownership schemes, rent-to-buy arrangements and models such as papakāinga
- Rapidly convert transitional housing places and contracts (where appropriate) into long-term social housing
- Invest decisively across the housing continuum into all forms of stable housing tenure
- Fast-track partnerships with the community sector to build bespoke and localised housing solutions adapted to community needs
- Place equal investment in home-ownership initiatives, such as shared equity and rent-to-buy schemes at the top end of the housing continuum as is being placed at the lower end on emergency, transitional and state housing. This will increase housing security and help prevent the further collapse of tenure down the continuum
- Broaden the scope of housing developers from Kāinga Ora and private developers to include a greater role for Community Housing Providers. Build this capacity of the third sector with realistic investment incentives and a broader range of Kāinga Ora contracts focused on shared equity and rent-to-buy schemes
- Set up a HEAG that includes strong community housing participation, along the lines of the successful Welfare Expert Advisory Group, to recommend a broad range of short- and middle-term initiatives that implement the ideals set out in the Government Policy Statement—Housing and Urban Development and enable people to move through the housing continuum to greater housing security.

Recommendations—strengthening democracy

- Embed the participatory approaches to policy development and governance enshrined in Te Tiriti into standard governmental practices
- Strengthen support for social infrastructure through the support for the community networks which facilitate it
- Invite and encourage the citizens of New Zealand to become active and collaborative to solving the issues which face us all, through partnership with local government and inclusion of civics education in standard school curricula

- Direct Social Wellbeing Agency to ensure wide and genuine citizen participation is built into its social wellbeing approach
- Continue to use the Wellbeing budget and living standards framework to drive intergenerational thinking and policy-making under a Te Tiriti o Waitangi approach
- Prioritise cross-party parliamentary leadership and collaboration to safeguard progress from short-term politicking
- Value and invest in the social infrastructure and the community sector that our communities rely on to function with wellbeing at the heart
- Use the New Public Sector Act to develop the public service knowledge of and skills in participatory approaches and community-led development
- Direct the Ministry of Justice and Law Commission to provide advice/ suggestions on actions Parliament could take to enhance use and application of collaborative decision-making and monitoring of inter-generational wellbeing
- Direct central government agencies to partner with local government more intentionally in the development of policy advice using participatory methodologies
- Propose a cross-party working group to provide advice on how Parliament can adopt more consensus-building approaches.

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