

HOUSING RESPONSIBILITIES BILL

EXPLANATORY NOTE

BEFORE the passing of the Housing Restructuring Act 1992, State house tenants paid rentals based on 25% of their income. After the reforms were introduced State houses were steadily moved to market-based rentals, with housing assistance being paid through the Accommodation Supplement by the Department of Social Welfare. This policy has resulted in many State house tenants paying unacceptable amounts of their total income in rent, with little or no money left to pay for essential items such as food and power.

There are now serious social problems developing, for example overcrowding, homelessness and poor health that can be attributed in large part to the new commercial environment that exists in the State housing sector.

The aim of this Bill is to amend the Housing Restructuring Act by making the furtherance of the Crown's social objectives the prime objective of Housing New Zealand. As the Act now stands there is a conflict between social responsibilities and the requirement to be "profitable and efficient".

The lack of a definition of social responsibilities allow these to be too easily subordinated to the profit principle.

This Bill will ensure that Housing New Zealand operates and functions in a manner clearly defined in its legislation, and requires Housing New Zealand to operate an income-related rent regime in order to assist the Government in furthering its social objectives.

Jill Pettis

HOUSING RESPONSIBILITIES

ANALYSIS

Title
1. Short Title

2. Object
3. Interpretation
4. Principal objective of company

A BILL INTITULED

An Act to amend the Housing Restructuring Act 1992

BE IT ENACTED by Parliament of New Zealand as follows:

5 **1. Short Title**—This Act may be cited as the Housing Responsibilities Act 1995, and shall be read with and deemed part of the Housing Restructuring Act 1992* (hereinafter referred to as the principal Act).

*1992, No. 76
Amendment 1992, No. 142, s. 42

10 **2. Object**—The principal object of this Act is to ensure that Housing New Zealand Limited operates to meet the Crown's social objectives in relation to housing and other services, and to this end operates an income-related rent regime to assist the Crown to provide quality, affordable housing to people on low incomes.

15 **3. Interpretation**—Section 2 (1) of the principal Act is hereby amended by inserting, after the definition of the term “sitting day”, the following definition:

“‘Social responsibilities’ means the Crown’s responsibilities to—

20 “(a) Provide secure, adequate, and affordable housing at rents linked to income, for people with low incomes or special needs or disabilities, senior citizens, or people, including those of ethnic

minorities, who may tend to be discriminated against by residential property owners; and

“(b) Set appropriate standards for the provision of residential buildings and accommodation:”.

4. Principal objective of company—Section 4 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection: 5

“(1) The principal objective of the company shall be to operate to meet the Crown’s social objectives in relation to housing and related services in order to assist the Crown in meeting its social responsibilities as defined in section 2 (1) of this Act, whether in accordance with its statement of corporate intent or pursuant to any agreement made under section 7 of this Act, and to this end be— 10

“(a) An organisation that maintains a public housing stock of no less than 70,000 units, and that adds to that stock as is necessary to ensure adequate housing is available to those with serious or special housing needs, whether these arise as a result of low income, discrimination or any other factor; and 15 20

“(b) An organisation that ensures that public housing is affordable to its client group by operating a policy of linking rents to the income levels of its tenants, while at the same time ensuring that no tenant is liable to pay a rent which exceeds the average market rent for a similar property in a similar location; and 25

“(c) An organisation that exhibits a sense of social responsibility in the development and implementation of its policies, and by acting in a non-discriminatory manner toward clients and the community; and 30

“(d) A good employer.”