

Briefing to the incoming Minister of Housing Hon Phil Heatley



IHC welcomes the opportunity to work with the incoming Minister of Housing. IHC New Zealand Incorporated (IHC) is the country's largest non-government housing provider and the largest provider of support services for people with intellectual disabilities through our wholly owned subsidiary IDEA Services Ltd.

IHC advocates for the rights, inclusion and welfare of over 50,000 people in New Zealand with an intellectual disability, and are respected internationally for this work. IHC is well connected to the community housing sector and works in partnership with disability sector organisations such as People First, the Disabled Persons Assembly and CCS Disability Action. IHC can offer the incoming Government our expertise and leadership to work towards the best housing outcomes for people with an intellectual disability and their families.

Challenges in the current environment

New Zealand has led the way in providing quality living in the community for people with intellectual disabilities. However, there are some challenges present in the current environment that significantly impact on both IHC as a housing provider and on people with an intellectual disability and their families.

Affordability

The lack of affordable housing and rental stock in New Zealand is well documented. People with an intellectual disability are particularly affected by this shortage as the majority have low incomes and are reliant on benefits to meet the costs of everyday living¹.

As a housing provider, the increases over the last 10 years in rental, housing and land prices, as well as construction costs has meant that IHC has experienced major problems in finding affordable and suitable sites to develop housing or in acquiring appropriate homes in some areas of New Zealand.

In recent years household energy costs and local government rates have increased at well above CPI rates. This has put pressure on household spending budgets of those on low incomes, and has left less to spend on rental and home ownership as well as less to spend on heating to keep homes at a healthy and comfortable temperature.

IHC believes that this situation will be exacerbated by the economic crisis unless supply-side interventions occur. We are also concerned that National's policy of allowing state house tenants to buy the house they live in will further deplete the limited existing stock.

Accessibility

Disabled people's housing needs are not being met by New Zealand's current housing stock². Unmet needs are often as fundamental as being able to safely enter and leave the house, to be able to continue to live in a home as disabilities develop with age, to access all rooms within one's home and to socialise with other family members. These are basic needs underpinned by human rights, not just desirable lifestyle additions.

¹ National Health Committee, *To Have an Ordinary Life: Community Membership for Adults with an Intellectual Disability*, Wellington, 2003.

² Centre for Housing Research Aotearoa New Zealand, *Housing and Disability: Future Proofing new Zealand's Housing Stock for an Inclusive Society*, May 2007.

Existing government housing modification schemes are unlikely, in their current form, to be a sufficient response to meet growing need.

The existing building regulatory environment makes it difficult for social housing providers to obtain or provide ordinary, affordable homes in the community for people with disabilities. The regulatory system requires amendment to give realisation to disabled people's right to live in the community.

Quality

The rapid increase in market rentals over the last 10 years has increasingly forced families and adults with intellectual disability into poor quality rental accommodation. Under-heated, under-insulated living environments are having a significant negative impact on health and quality of life of disabled people. People with intellectual disability who receive support to live independently also report difficulties accessing Housing New Zealand homes and services.

Issues Related to the Housing Portfolio

The 2003 National Health Committee Report *To Have an Ordinary Life* raises significant concerns about day-to-day restrictions in the lives of people with an intellectual disability that are directly attributable to the type of funding model for 'residential care' administered by the Ministry of Health.

IHC is advocating the model of 'residential care' be changed to allow people with intellectual disability more choice and control over matters such as place of residence, who and the number of people residence is shared with. A direct consequence of the current funding model is that almost all people with an intellectual disability in residential care are unable to be present at their own home during the day. These examples represent living situation which are clearly a far cry from an "ordinary life".

Any changes to the funding model for 'residential care' are likely to have a flow on effect of increased demand for affordable housing from individuals and social housing providers. IHC believes this issue requires cross government consideration and action to ensure changes are made in a well planned and timely manner.

Opportunities

IHC welcomes New Zealand's commitment to supporting quality living in the community for people with an intellectual disability in:

- The New Zealand Disability Strategy (Objective 8)
- The United Nations Convention on the Rights of Persons with Disabilities (Article 19)
- The New Zealand Housing Strategy.

IHC supports National's policies targeted towards those on lower incomes, such as maintaining the Accommodation Supplement and increasing programmes to support home ownership. We note the advice in the Ministry of Social Development (MSD) Briefing for the Incoming Minister that the Accommodation Supplement has not kept pace with sharp rental increases. We support the MSD recommendation that it is critical to reassess the adequacy of the Accommodation Supplement. IHC believes the Accommodation Supplement should be increased to levels that adequately support the actual cost of rental housing.

IHC is also supportive of the opportunities created by National's housing policy to increase the capacity of the community housing sector to meet future housing demand through:

- partnership with community organisations through the Gateway Housing initiative
- releasing land for development and increasing the Housing Innovation Fund
- continuing with the Shared Equity Pilot
- rent relief for offices for community groups

Greater financial viability is achieved through government funding for supply of all social housing by community organisations such as IHC, with an expectation of at least 25 percent better return on investment compared to government-owned alternatives.

Community housing providers can achieve this better return through:

- flexibility to enter into partnerships with the private sector and local government
- knowledge and skill to provide pragmatic solutions, for the best value, while still meeting community expectations
- the tax-free status of the not-for-profit sector, and access to legislated local government rates remission
- access to sponsorship and donated funds
- access to voluntary contributions.

There is an excellent short-term opportunity to make funds available for additional housing supply by non-government organisations. This would take advantage of the current surplus capacity in the housing construction industry, while obtaining best value through competitive pricing and managing risk of loss of building industry skills offshore. IHC notes that this opportunity has also been highlighted in the briefing from the Department of Building & Housing.

IHC believes there are other opportunities that the incoming Government could consider to improve housing for people with disabilities including:

- expand plans to increase the Housing Innovation Fund, and introduce a much better resourced capital funding model for social housing
- greater focus on working with community housing providers in order to obtain best value and reduce timeframes to expand supply. It is noted that this strategy is also advocated in the Department of Building and Housing briefing. IHC considers it is in a position to take this challenge on, with a focus on the large market for housing for people with disabilities
- ensuring through the current review of the New Zealand Building Code that the regulatory environment does not allow discrimination on the grounds of disability
- promotion of the principles and practice of lifetime design
- providing further financial incentives for housing owners to improve energy efficiency of their housing.
- considering opportunities to work with NGO's to draw social services around social housing.

Final Words

IHC submits that there is pressing need for supply of more affordable housing suited for the needs of people with intellectual disabilities and for removal of financial and regulatory barriers currently preventing full and meaningful participation in the community.

There are some exciting opportunities to implement new ways to address these needs, and IHC trusts that this briefing provides useful and practical suggestions on how this might be done. IHC would welcome the opportunity to meet and discuss these issues.

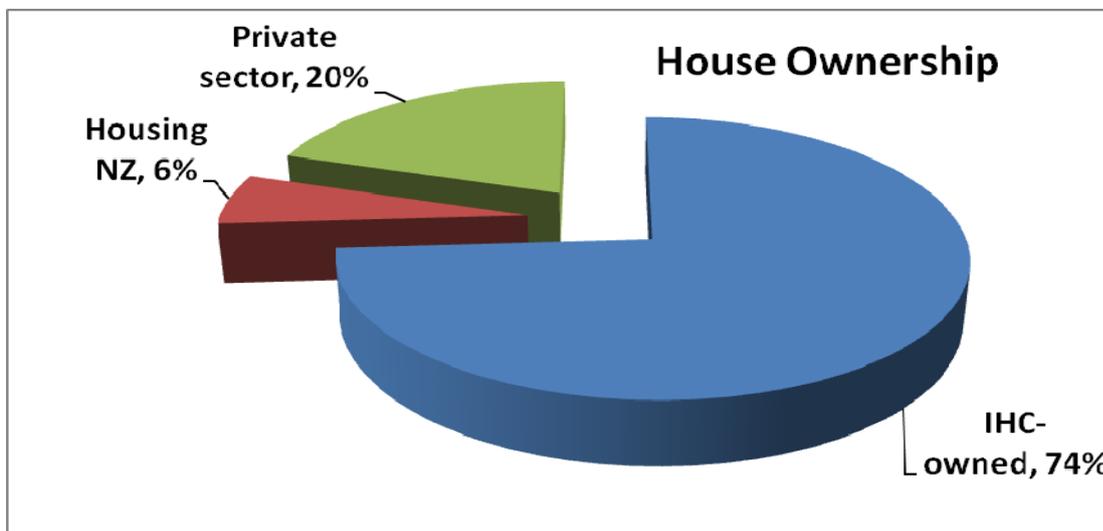
About IHC

IHC was formed in 1949 by parents who wanted better lives in the community for their children. IHC is now the largest disability services provider in New Zealand and a leader in the disability sector.

IHC:

- Delivers \$195 million of government contracts through our wholly owned subsidiary IDEA Services and \$10.5 million of services supported by fundraising.
- Provides disability support services for over 6350 people with intellectual disabilities and their families.
- Advocates for the rights, inclusion and welfare of over 50,000 people in New Zealand with an intellectual disability.

IHC is the country's largest provider of housing outside of government and local government. We manage 870 housing units which are spread throughout the country and accommodate close on 3,000 people with intellectual disabilities. The sources of this housing stock are as follows:



IHC homes are used primarily as permanent places of residence. A few provide temporary accommodation for children in order to give families some respite. All are pepper-potted throughout the community in order to encourage community integration. 70 percent of homes are fully adapted for wheelchair access. The capital for IHC homes is sourced from fundraising, retained earnings, borrowings, and some shared equity with home occupants and their families.

In addition to this IHC supports 725 people to live in their own homes through supported independent living services (62 percent of these are private sector rental properties).

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