

6 June 2023

via email: petitions@parliament.govt.nz

SUBMISSION TO THE PETITION OF ANDREW WILSON: REZONE ACCOMMODATION SUPPLEMENT ELIGIBILITY FOR QUEENSTOWN RESIDENTS

Thank you for the opportunity to present this submission to the petition of Andrew Wilson regarding rezoning the accommodation supplement eligibility for Queenstown residents to the Petitions Committee.

The Queenstown Lakes District Council (QLDC) strongly supports the petition without reservation, that the House of Representatives amend Schedule 4, Part 7, clause 8 of the Social Security Act 2018 urban-rural statistical blocks so that urban-rural zoning for the purposes of accommodation supplement eligibility is based on the most recent population statistics.

Council welcomes the opportunity to work with central government to rectify this issue and has been advocating on the matter continuously through numerous channels for many years. The unaffordability of housing is a critical issue for the district, and the failure of accommodation supplement boundaries to keep up with urban growth is a longstanding, ongoing problem that is only worsening with rapid population growth.

Due to the timeline of the process, this submission will be ratified by full council retrospectively at the next Council meeting.

Thank you again for the opportunity to comment.

Yours sincerely,



Glyn Lewers
Mayor



Mike Theelen
Chief Executive

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1.0 Housing affordability is one of the biggest challenges for the Queenstown Lakes District

- 1.1 The Queenstown Lakes District is one of the fastest growing areas in New Zealand Aotearoa. The average daily population is 66,532 (visitors and residents) and the peak daily population is 102,648¹. The district's population has grown 72% over the past ten years alone.
- 1.2 The district is also one of New Zealand's most unaffordable regions to rent or buy housing. The median weekly rent as at February 2023 in the district is \$700. This is significantly higher than the national average of \$560. There are 860 households on the Queenstown Lakes Community Housing Trust waitlist.²
- 1.3 The root causes of housing unaffordability in the district are complex and centre on supply, choice, availability, and quality. Housing is at the heart of creating secure, connected and caring communities, creating jobs and a diverse economy. It is also fundamental to sustainable and responsive urban planning and development.
- 1.4 Council is committed to working collectively to improve housing outcomes in the district. The Grow Well Whaiora Partnership is an urban growth partnership formed in 2018 between central government, Kāi Tahu, and QLDC. The partnership provides a forum to align decision-making and collaborate on the long-term direction for the district.
- 1.5 A Joint Housing Action Plan (JHAP) is identified as a priority in the Queenstown Lakes Spatial Plan³ (priority 5), that is governed by the Grow Well Whaiora Partnership. A partnership approach to housing solutions was also identified as an important outcome in the Queenstown Lakes District Council's homes strategy.⁴
- 1.6 A significant action in the draft JHAP is government partners facilitating engagement regarding updating accommodation supplement boundaries to keep up with urban growth. The draft JHAP is currently open for public consultation with the community⁵.
- 1.7 QLDC actively partners with the Queenstown Lakes Community Housing Trust (QLCHT) to provide social housing. QLDC has facilitated approximately \$38.5M of inclusionary housing contributions to the QLCHT and has contributed approximately \$12.3M of contributions from grants, land and financial contributions. Overall, this equates to approximately 85% of the QLCHT's capital funding.

2.0 The accommodation supplement boundaries do not reflect urban growth in the district

- 2.1 As the petition explains, Schedule 4 of the Social Security Act 2018 defines four areas for the purposes of determining the maximum accommodation supplement a household can receive. Areas 1-3 have an urban

¹ <https://www.qldc.govt.nz/community/population-and-demand> (estimated population on 30/6/2022 from March 2022 Demand Projections).

² [Improving housing outcomes in Queenstown Lakes \(qldc.govt.nz\)](https://www.qldc.govt.nz/your-council/council-documents/queenstown-lakes-spatial-plan) (date accessed: 18 May 2023).

³ <https://www.qldc.govt.nz/your-council/council-documents/queenstown-lakes-spatial-plan> (date accessed: 18 May 2023).

⁴ <https://www.qldc.govt.nz/your-council/major-projects/improving-housing-outcomes/queenstown-lakes-homes-strategy> (date accessed: 18 May 2023).

⁵ <https://letstalk.qldc.govt.nz/jhap> at page 9, key action 1(d) (date accessed: 23 May 2023).

designation and are eligible for the maximum accommodation supplement amount, whereas area 4 has a rural designation. The difference in eligibility is substantial.

- 2.2 Many households in the district are eligible to receive the accommodation supplement from central government, yet due to the high growth rate of the district, numerous areas are not properly classified for eligible households to receive their maximum entitlement. This means that many households that may be potentially eligible to receive the supplement may be disadvantaged because they live in the newer developed residential areas. Given the ongoing growth across the entire district, this inequity is becoming increasingly acute.
- 2.3 A number of areas in the district identified as areas 4 (rural areas) should be classified as area 1 (urban) in that they:
- have a confirmed urban zone and are contained in the urban growth boundary in the Proposed District Plan
 - are subject to urban rates and urban section, house and rental prices (for example, Lake Hayes Estate has been zoned urban for over 15 years)
 - contain residential lot sizes, are fully serviced and have reticulated wastewater, storm water, curb and channel and street lighting
 - have little in the way of any remaining rural activities occurring within them.
- 2.4 The 2022 census estimates show a clear rise in the Queenstown's district population from 2013, with Shotover Country's population growing from 40 to 3890 (9625%). The photos below illustrate the rapid urbanisation in this area. Jacks Point and Hanley's Farm has grown from 250 residents to 2,140 residents, an increase of 1,890%. The change in population in these areas alone accounts for 30% of the overall increase in the district's population.

Shotover Country



3.0 The inequity in the accommodation supplement boundaries has significant implications for lower income households

- 3.1 The inequity caused by the failure to update the data from 1992 NZ Statistics mesh blocks means that many people are living in areas that are entirely urban and are only eligible to receive rural accommodation supplement rates. There are numerous high-density urban areas in the district that are affected. In the Wakatipu Basin, this includes Lake Hayes Estate, Quail Rise, Shotover Country, Jacks Point, and Hanleys Farm. In the Upper Clutha area, the rapidly growing areas of Luggate, Hāwea township and Hāwea Flat are affected. Elsewhere in the district, the townships of Glenorchy and Kingston are also experiencing development and population growth. They are categorised as urban for the purposes of the National Policy Statement – Urban Development, so it is therefore logical that they have an urban designation for accommodation supplement purposes.
- 3.2 A case study illustrates this inequity. The financial impact of a move from Arthurs Point to Lake Hayes Estate has left a family struggling to make ends meet. Arthurs Point has a median rental price of \$700p/w and is an area 1 urban suburb so the accommodation supplement is up to \$305p/w. Lake Hayes Estate also has a median rent of \$700 but is an area 4 rural space, so the maximum accommodation supplement is only \$120p/w.

4.0 Advocacy to central government regarding outdated accommodation supplement boundaries has been ongoing

- 4.1 Alongside stakeholders and local Members of Parliament, QLDC has been advocating to central government for accommodation supplement boundaries administered by the Ministry of Social Development to be updated since 2017⁶. In addition, QLDC was successful in having this issue adopted as a remit item by Local Government New Zealand (LGNZ) in 2021.
- 4.2 In correspondence on the issue from 2019, the Minister of Social Development responded that the maximum amounts for each of the four areas had been increased in 2018, suggesting that this increase in rates would address the issue. This change did not address the core problem; that the accommodation boundaries themselves are out of date. Any increase to the accommodation supplement quantum does not change the large discrepancy between a household incorrectly zoned as rural (area 4) and those in areas 1-3.

5.0 It is essential that amendments provide for future proofing data

- 5.1 The current wording in the Social Security Act 2018 defines the accommodation supplement boundaries “as on 26 June 2017 defined by the Government Statistician.”⁷ Council strongly recommends that amendments must contain wording to allow for future proofing of this data without the need for legislative reform. This could entail scheduling a two yearly review of the areas, in partnership with territorial authorities, rather than relying on information that is static and frozen in time. The longstanding nature and inequity caused by the current wording illustrates the substantial implications of using information that is static and is not able to reflect changing urban settings.
- 5.2 In addition to updating the accommodation supplement areas, Council supports the petitioner’s position that the Statistics New Zealand mesh block boundaries should also be reviewed. This will ensure that the

⁶ <https://www.qldc.govt.nz/your-council/major-projects/mayoral-housing-affordability-taskforce> (date accessed: 18 May 2023).

⁷ <https://www.legislation.govt.nz/act/public/2018/0032/latest/whole.html#DLM6784877> at Schedule 4, Part 7, clause 8 (date accessed: 25 May 2023).

geographic boundaries that have accommodation supplement designations accurately show the growth and development in the district. Council understands that work is underway by Statistics New Zealand to progress these amendments, and fully supports the timely resolution of this.

6.0 Urgent change is required

- 6.1 The latest publicly available Ministry of Social Development welfare overhaul work programme states that it will give “consideration for an area boundary review to modernise current areas given the significant amount of housing change since the latest update in 2018 (based on 2016 data).”
- 6.2 The urgency of this issue militates towards a much greater priority than that which has been outlined. Moreover, as stated in the petitioners’ submission at paragraph 10, the data relied on for accommodation supplement boundaries in the Queenstown Lakes district is based on information from 1992, not 2016 data as stated.
- 6.3 Accordingly, QLDC strongly supports the petition of Andrew Wilson, and requests that the inequitable accommodation supplement boundaries be urgently amended.