

Changing the Future for Deprived Communities

Social Development Symposium, 26 October 2007

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This is my distillation of the tenor of the discussion on 26 October. It does not pretend to be a consensus from the roundtable but is my sense of the lines of discussion. It should be read in conjunction with Blair Badcock's background paper and Patricia Austin's presentation.

Six discussion points were posed to the roundtable in the background paper, as expanded for the roundtable:

1. What areas of government policy and activity are working well to provide better outcomes for deprived communities?
2. Are there other approaches that should be considered which could help reduce concentrations of deprivation and social exclusion?
3. Are mixed communities an effective way to reduce deprivation and social exclusion?
4. What are the essential prerequisites for the successful development of mixed communities?
5. Given the government's interest in housing affordability and community sustainability, what can the public, private and community sectors do to achieve good outcomes for deprived communities?
6. What are some effective ways to encourage the development of local business initiatives in deprived communities?

To which two more points were added:

With respect to redeveloping/revitalising deprived communities:

7. What can the government expect from business?
8. What can business expect from local government, central government, health, education and social welfare?

1. The deprived community trap

Building mass housing near industrial estates for gainfully employed workers was logical. The decline of manufacturing from the 1980s turned public housing into high-need areas. Deinstitutionalisation of the physically and mentally disabled compounded this.

"The workers' families who dominated public housing up to the 1970s were replaced by the non-working poor. Every tenant placed now is a high-needs tenant."

In fact, even at a time of high employment 90% of tenants are not in paid work; 39% are in the "severe hardship" category.

The result is that shops and businesses become less economic and close, with the exception of liquor stores and tinny houses and the like. Local jobs are limited — it is much less likely that one young person will tell another there is a job going where that person works. Schools are less supported; there are health inequalities; crime and disorder develops; a cycle of intergenerational deprivation is reinforced. This state of affairs can discourage possible tenants and other households from choosing to live in those areas.

In other countries some estates become dehumanising: houses become hard to let, there are high vacancy rates and assets get badly run down. This is not the case in New Zealand.

2. The wider role of public housing — the promotion of community

Public housing used to amount to the supply of houses and management of the tenancies. The change noted above in the nature of areas with high proportions of public housing has required a public housing agency to operate as a social service agency, with a wider brief than just supplying houses.

But there is also mixed evidence as to the efficacy of housing policy in strengthening communities. And in any case some low-income communities are very resilient.

"Community is not just about housing. I don't think good housing necessarily makes a good community. There are a lot of disparities. There are environments that are working well and very similar environments that are not working well, from a housing point of view. Housing is a contributing factor and quite a big contributing factor but it is not necessarily the determinant. We are keen to work with other agencies to create a healthy community, as well as providing satisfactory housing."

"The corporation has realised it needs to engage with other agencies. It is taking an active role in seeking to get that engagement going. We are trying to take a lead role but it is not really ours to take. We are trying to get a community of people who are interested in solving these problems, thinking about these problems collectively and collaboratively so that it comes together. That's the team that is working in Tamaki at the moment."

Note also that ***Housing New Zealand is not the only provider of housing assistance***: for example, there is the Accommodation Supplement and help into home ownership and on, the demand side, income assistance aimed at income adequacy. "The state has many arrows in its quiver." And there are NGOs which help the disabled and disadvantaged, including by guaranteeing rent to private landlords.

Redevelopment of existing state house areas is difficult, given the excess of need over supply. And to do it well involves extensive consultation with those living there, who may not be there when the redevelopment is done. This is especially the case with a project like Tamaki which involves 5000 households and is expected to take 15 years.

3. "Mixed tenure" and who wants to live where

The aim in new developments and redevelopments (eg, Tamaki) is mixed tenure so that (a) there are not condensed areas of deprivation, (b) people want to buy their first houses there and so the areas include owner-occupied housing (and not just houses that are privately owned to rent out) and (c) there are good facilities and amenities.

There is a rule of thumb now for public housing agencies not to have more than 20%-35% public housing. In Queensland now there is a limit of six to eight public housing dwellings in any one project. In Adelaide a deliberate mix of higher-end private housing and public housing has been a success.

This is not the same as simple pepper-potting. It is not a matter of mixing some decile 1 and 2 people into a decile 9 and 10 area. A decile 1 or 2 person in a decile 9 or 10 area would be living with people unlike, or very different from, themselves.

People prefer to live with people who are like or near-like themselves: so deciles 1 and 2 with deciles 3 and 4 (or maybe deciles 1-3 with 4-6) is a workable mix while 1 and 2 with 9 and 10 is not. Immigrants of a particular ethnicity often gather together. The same goes for socioeconomic strata (though be wary of defining community by income). There are people who nominate Aranui in Christchurch as their preferred area (though they steer clear of one particular street). In Porirua East a survey of 1120 people, including 150 kids, reported 80% rated the area 5 or upward on a 1-10 scale of whether it was a good place to live. "They want to be normal." Rather than mixing like with unlike, productive mixed-tenure keeps near-

like with near-like.

"Mixed incomes don't make a community."

[Meaning: there are other factors. One which resonated with some around the table was **age**. But there were differences of view: one was that a mix of age ranges is an important ingredient of community; another was that older people need different facilities from younger people.]

"More state houses in Remuera doesn't necessarily work for the children in those houses."

"Does the general population want it (mixed tenure)? In the United Kingdom every group seems to stick by itself. You can mix people up but over time people will start moving towards other people they are compatible with."

One participant suggested that a better way of looking at mix was in "use" rather than "tenure".

And mobility can be a factor that limits locational choice:

"The poorer you are the less mobile you can be. Rising oil prices will mean mobility declines. If you are poor you don't have the opportunity to go somewhere else. So at best you can get, in a deprived community, a mix of bottom two deciles."

Mixed-tenure requires both public and **private-sector housing**. But the roundtable was told that there is "huge mistrust" between Housing New Zealand and the private sector. It was also told that Housing New Zealand is addressing that: one project has the private sector doing 80% and Housing New Zealand 20%.

One point of contention was over property management. One view was that the private sector manages property better than Housing New Zealand. Another was that this was not universal. But some landlords are undersupported in dealing with difficult tenants.

4. Building social capital

There were two views on the degree to which housing policy contributes/can contribute to social capital. One was that good policy could contribute to building social capital. The other was that evidence was "very mixed".

"There are no social networks through which to get resources and organisational skills are lacking. And such areas are often blighted by gaming and liquor outlets. There is a value in getting other people in who can make certain that a community can build social capital. That improves conditions and opportunities. And that will generate the mix."

Building social capital requires leaders —but from within the community, not from outside. But are such leaders encouraged or discouraged?

"You can judge good and bad communities by how they treat their children. Those in deprived communities do have aspirations — it is not correct to say they don't — and there are leaders but we beat them down and only concede they are leaders if they survive that. We should look for leaders and [nurture] them."

In Porirua East there are 40 churches and many more community organisations which provide leadership.

And regeneration projects themselves could be used to build social and human capital.

"Regeneration projects themselves can offer locals business and work opportunities. So why not hire locals to do the work rather than just going for cost-efficiency with outside firms. Local authorities are not good at that. The accent on efficiency cuts out small operators."

Jobs definitely contribute: "If people have jobs and are living securely, that is a good base to build on."

5. The role of the school

The school can be important, maybe critical for community-building and social/recreational activities. It can be used (if authorities are willing) for meetings, sports, recreation, etc. But schools are often closed at times when they could be used for activities other than education.

The school is also an important factor in people deciding they want to live in an area.

Do children from different deciles/groups actually mix in school or do like stick with like? The roundtable heard diametrically opposed views.

"If you mix high and low deciles, you get pressure on the low-decile kids' parents, who can afford the school trips, etc." [Which implies that you get two distinct groupings.]

"Freemans Bay was a mixed community [before the Auckland City Council sold its public housing]. There was one school and it worked well. There were problems but they were not around income and not around race."

6. Are we building the right houses? And designing the right environments?

There was some discussion on the appropriateness of housing, its siting and the trap some lower-income people find themselves taking on a mortgage which squeezes their finances, often for a long time.

"There has been an unfortunate housing policy since the second world war. We have asked people on the lowest income to buy near-new housing stock. That is like a contract for the grave.

"We are building 500 houses every week in this country and 400 are inappropriate. They use land very badly. They are poorly orientated. They are probably overbuilt in scale. It is in the wrong place. Quality of life means living near to the things which you hold dear. We have built a lot of houses based around a strange family unit of two parents and two children. We don't understand how to build for personal privacy and that person's relationship with the community. We are going to see a lot of dysfunctional communities."

Urban design/development/environment does not have a strong position within the bureaucracy. It crosses portfolio areas and also involves territorial authorities. That is one reason why the Department of Prime Minister and Cabinet is handling the affordable housing issue.

"On the North Shore Westfield just gone in with a big development, connecting up with an area of big boxes, with traffic roundabouts, designed to have an enormous amount of traffic going through. A developer looked at the site and suggested a main street between the bus station and the big boxes, pedestrian friendly, with shops and accommodation, residential sitting behind it. But the councillors could not make that leap."

Contrast the Hobsonville development, led by Housing New Zealand, which is designed for environmental, social and community outcomes.

7. A parallel issue of affordability in a rich tourist place

Queenstown has 20 Housing New Zealand properties. It is not generally thought to be poor but there is a serious problem of rental affordability for long-term residents because tourism (even high-end tourism, which is Queenstown's aim) is a low-wage occupation and rents are

pushed up by seasonal skiing workers who can group together and afford in total a high rent. Even school teachers find it hard and schools rent houses for teachers.

The plan is to build specialised accommodation for skiing workers and to develop financing packages to keep housing affordable but also integrated into the community, so that they look like other housing. Altogether, there are 32 actions, most built on partnerships involving the district council, the community (including the Community Housing Trust), central government, business and developers. The district plan has been changed to promote affordable housing.