



## Aide-memoire

<b>Meeting with the Wairarapa Mayors on seniors housing</b>			
<b>Date:</b>	29 January 2019	<b>Security level:</b>	In Confidence
<b>Priority:</b>	Medium	<b>Report number:</b>	AMI18/19010052

### Information for Minister(s)

Hon Phil Twyford <b>Minister of Housing and Urban Development</b>	<b>Note</b> this aide-memoire provides you with supporting information for your visit to the Wairarapa region on 30 January 2019.
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## Contact for discussion

Name	Position	Telephone	s 9(2)(a)	1 <sup>st</sup> contact
Fiona Ryan	Acting Manager, Housing System Performance	(04) 901 9873		✓
Ross Taylor	Policy Advisor, Housing System Performance	(04) 897 5090		

### Other agencies consulted

NZTA, Transport

## Minister's office to complete

- ☐ Noted
- ☐ Seen
- ☐ See Minister's notes
- ☐ Needs change
- ☐ Overtaken by events
- ☐ Declined
- ☐ Referred to (specify)

## Comments

Date returned to MHUD:

# Aide-memoire

## Meeting with the Wairarapa Mayors on seniors housing

**For:** Hon Phil Twyford, Minister of Housing and Urban Development

**Date:** 29 January 2019

**Security level:** In Confidence

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### Purpose

1. This aide-memoire provides you with information about senior housing and transport issues in the Wairarapa to support you in your meeting with the Wairarapa Mayors on 30 January 2019. This meeting provides you with an opportunity to discuss key issues impacting the Carterton, Masterton and South Wairarapa Districts. The aide-memoire first provides you with information on public housing in the Districts and then discusses transport issues.

### Meeting details

2. You are meeting with the Wairarapa Mayors (Viv Napier, Mayor of South Wairarapa; John Booth, Mayor of Carterton; and Lyn Patterson; Mayor of Masterton) on Wednesday 30 January 2019.
3. The Mayors wish to discuss senior housing provided by local councils, but may also discuss transport issues with you. Below are some potential questions you may wish to raise with the Mayors:
  - a. The ageing population has significant implications for housing and urban development. What do you consider to be the main challenges to housing our growing older population in your Districts? What do you see as the opportunities?
  - b. In your council's experience, what is the unmet demand for senior housing in your District?
4. You are also meeting with Lee Mauger, Chairman of the Martinborough Dark Skies Reserve with Minister Davis, in his capacity as Minister of Tourism. The Reserve was formed to promote the establishment of an International Dark Sky Reserve in Martinborough.

### Context on older people in the Wairarapa

5. New Zealand, like all OECD nations, has an ageing population. Today, around 750,000 people are over the age of 65. By 2036, this is likely to be over 1.2 million. An ageing population impacts New Zealand's economy, labour force, social services, health, aged care, transport, local government, and housing.
6. There are a variety of housing options available for older people, other than homeownership and private rentals. Retirement villages may be an option for some who have enough capital to afford the initial payment and ongoing fees. Operators such as Arvida and Heritage Lifecare both have retirement villages in the Wairarapa Districts. Alternatively, there are council flats, public housing, and shared housing options (for example Abbeyfield), which may not require upfront capital.



## Census 2013 breakdown of the Wairarapa Districts

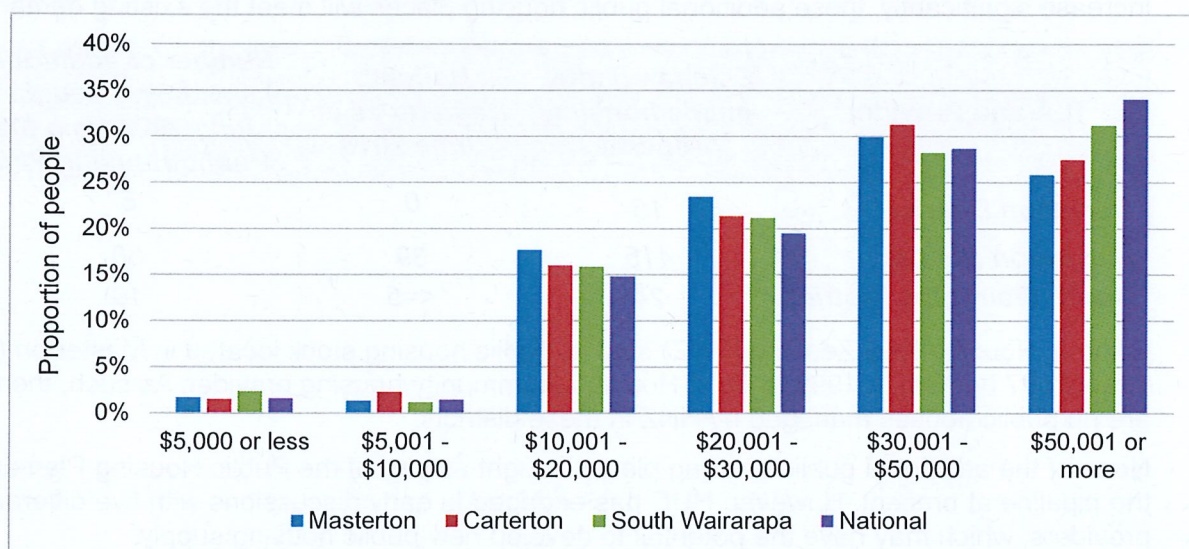
7. While older people are more likely to be home owners than other age groups, a growing proportion will be renting or relying on public housing. In 2001, 77 per cent of those between 45 and 64 years old owned or partly owned their own home, but this has subsequently dropped to 69 per cent in 2013.
8. This trend is also occurring in the Wairarapa Districts. That said, homeownership rates remain higher in Masterton, Carterton and South Wairarapa than the national average (see Table 1).

Table 1: Census 2013 homeownership rates

	45-64 Years	65 Years and Over
<b>National Average</b>	69%	74%
<b>Masterton District</b>	73%	76%
<b>Carterton District</b>	79%	80%
<b>South Wairarapa District</b>	77%	81%

9. The Wairarapa Districts have a higher proportion of older people. Nationally 14 percent of the population are aged 65 and over, compared to 19 percent in Masterton and Carterton, and 20 percent in South Wairarapa. This means there may be a higher demand for senior housing in these regions relative to their respective sizes.
10. The personal incomes of older people in the Wairarapa Districts are generally lower than those nationally. As shown in Figure 1, there are fewer older people with incomes between \$10,000 and \$30,000 nationally while there are more with incomes above \$50,000.

Figure 1: Personal income of those aged 65 and over



## Local council involvement in senior housing

11. Local government plays a key role in providing subsidised housing to their communities. Historically, council stock was primarily developed with assistance from central government to meet the needs of low-income elderly people.
12. Our latest estimate from November 2018 shows that the council stock for Masterton District included 85 properties (of which 74 are pensioner units) and South Wairarapa included 32 properties. Carterton District Council gifted its portfolio of pensioner housing to the Carter Society<sup>1</sup> in 2016.

<sup>1</sup> The Carter Society is a not-for-profit organisation that offer hospital care to the elderly.



*Local councils are not eligible to receive the Income Related Rent Subsidy (IRRS)*

13. In April 2014, when the IRRS was extended to CHPs, a decision was made to exclude local councils, council-controlled organisations and sitting CHP tenants. As a result, some local councils have sold or leased their housing stock to existing registered CHPs<sup>2</sup> or established a new registered CHP at arms-length from the council. This means as sitting tenants are replaced with new tenants, registered CHPs are gradually accessing a greater number of IRRS subsidies.
14. Most councils remain committed to providing subsidised housing more broadly. That said, councils' are under financial constraints to upgrade or repair their existing housing portfolio alongside their other infrastructure needs. In addition, many councils do not have the capacity/capability to deal with increasingly high/complex needs tenants, and many do not have the political mandate to cross-subsidise social housing from rates.
15. Mayor Lyn Patterson is looking to redevelop Masterton council's pensioner housing located at Panama Village. The Ministry of Housing and Urban Development (HUD) communicated to her that IRRS is not available for councils. HUD provided her with information about CHPs in the region or those that are looking to move into the region, with the potential for the Masterton Council to investigate partnering with a CHP to get access to IRRS funding.

## Wider public housing in the Wairarapa

*Seniors in the Wairarapa Districts also receive housing from public housing providers*

16. The table below shows the existing public housing places<sup>3</sup> in the Wairarapa as at November 2018. It also shows the existing public housing register and the additional public housing places to be delivered as part of the Public Housing Plan. If the housing register does not increase significantly, these additional public housing places will meet the existing demand.

<b>TLA and Provider<sup>4</sup></b>	<b>Estimated total public housing properties</b>	<b>Housing Register as at June 2018</b>	<b>Number of additional places being sought by June 2022 from the Public Housing Plan</b>
<b>Carterton District</b>	15	0	5
<b>Masterton District</b>	415	39	50
<b>South Wairarapa District</b>	24	<=5	10

17. Of note, Housing New Zealand (HNZ) sold its public housing stock located in Masterton (a total of 587 homes) in 1998 to Trust House, a community housing provider. As such, there are no public houses managed by HNZ in these districts.
18. None of the additional public housing places sought as part of the Public Housing Plan are in the pipeline at present. However, HUD has engaged in early discussions with five different providers, which may have the potential to develop new public housing supply.

a.

s 9(2)(j)

b.

<sup>2</sup> Registered as a Class 1 Social Landlord with the Community Housing Regulatory Authority.

<sup>3</sup> By public housing we mean housing provided by either Housing New Zealand or CHPs where tenants are eligible for the IRRS.

<sup>4</sup> This table excludes council owned properties due to them being ineligible for the Income Related Rent Subsidy (IRRS).

- c. s 9(2)(j)
- d.
- e.

### **Transport in the Carterton, Masterton, and South Wairarapa Districts**

19. During public engagement on the draft Government Policy Statement (GPS) on land transport 2018, the Ministry of Transport received individual submissions from Carterton District Council and South Wairarapa District Council. The Mayors of Masterton, Carterton, and South Wairarapa previously provided a joint submission on the draft GPS released for engagement in 2017. The Wairarapa districts were also encompassed in submissions made by the Wellington Regional Transport Committee and the Greater Wellington Regional Council (GWRC) on both drafts. Issues raised consistently in these submissions included:
- a. support for improvements to regional rail
  - b. Funding Assistance Rates
  - c. resilience and security
  - d. active modes.

#### *Support for improvements to regional rail*

20. The councils advocated for funding to improve regional rail services. Their main focus was securing support for service improvements, the maintenance of underlying infrastructure and the replacement of rolling stock for the Wairarapa Line, which they viewed as a critical connection for commuters and tourists to and from Wellington. The councils also suggested that increasing the freight capacity of rail in the region could improve the safety of state highways and local roads throughout the Wairarapa (in particular, on SH2 Remutaka Hill Road).
21. In 2018 submissions, the introduction of the transitional rail activity class and the intention to consider options to fund rail through future National Land Transport Programmes were positively received.
22. The recently announced investment in improvements to the Wairarapa Line will address many of the issues raised by the council. NZTA is investing \$96 million in track upgrades to support Wairarapa commuter rail. This will see the replacement of tracks, sleepers and bridges to remove speed restrictions and increase reliability. The line will also be double-tracked between Trentham and Upper Hutt, and the Rimutaka tunnel will be improved.

#### *Funding Assistance Rates (FAR)*

23. NZTA introduced a targeted enhanced FAR policy in 2018 to provide additional assistance to councils to bring forward high and very high priority locally-led improvement activities for the 2018–21 National Land Transport Programme. This was in recognition of the potential financial challenges for some councils in taking up these opportunities. The policy means that up to 50 per cent more funding can be provided for qualifying activities.
24. The councils raised concerns that some local projects would not be able to be progressed due to challenges in raising the level of local share required under the FAR policy. They requested that a greater level of support be targeted to councils with small ratepayer bases.
25. The councils also stressed that financial constraints limit their capacity to invest in other land transport-related areas, such as new technologies and cycleway improvements, despite the potential benefits of doing so.

26. The National Land Transport Programme 2018-21 includes funding for the SH2 Carterton to Masterton Safe Roads project, which is assessing speed limits, roadsides and specific safety treatments along this corridor and at identified hotspots. NZTA held drop-in events in Masterton and Carterton on the project and will consult on a draft plan later this year.

*Resilience and security*

27. The councils supported prioritising resilience improvements on routes of economic and social importance, particularly from the perspectives of tourism and freight. They recommended in both 2017 and 2018 that the focus on resilience in the GPS be strengthened, especially references to longer-term resilience threats and the impacts of climate change.
28. GWRC recommended the introduction of an activity class specifically for resilience improvements.

*Active modes*

29. The councils stressed that there should be equity in the level of funding received by rural and urban areas for walking and cycling improvements, funding for which was significantly increased in GPS 2018. They were concerned that funding would be focused on improvements in urban areas, with negative impacts on rural communities, placing particular emphasis on the importance of cycling to Wairarapa's tourism.

*The Ministry of Transport are in the early stages of developing the next in-cycle GPS*

30. The Ministry of Transport is in the early stages of developing the next in-cycle GPS on land transport 2021, and has undertaken initial engagement with local government through the Transport Special Interest Group and Local Government New Zealand. GWRC was present at these sessions. Should transport funding issues be raised, you may like to mention that the Ministry of Transport is planning to undertake in-depth sector listening sessions with local government in late March/April, to gain an understanding of regional trends and issues to further inform GPS development.