

LETTERS

Govt's housing plan is wrong

I congratulate Kieran McAnulty for working to bring community housing agency Kainga Ora back to Wairarapa. These extra 50 houses are certainly needed, and I'm sure most in Wairarapa will look forward to our motels being motels once again.

Providing social housing is not cheap, so can McAnulty please put some numbers on what these new houses will be costing taxpayers, and were other cost-effective new housing solutions investigated, such as building new houses on land already owned by our community housing providers?

What the public doesn't understand is the Labour Government has instigated tax changes to discourage private individuals from buying rental property which only increases the demand for social housing. This list has grown from 5000 in 2017 to 27,000 today.

This is a brickbat for your government McAnulty.

The Labour Government has also encouraged private rental property owners to provide rentals to the state to run. They did this by removing mortgage interest as a tax deduction for private rental owners unless they agreed to hand the house over to a social housing landlord to run.

A big contributing aspect to the demand for social housing is that providers can offer their tenants cheaper rent



Housing Minister Megan Woods and Wairarapa MP Kieran McAnulty.

PHOTO/FILE

than private landlords can.

The Government offers income-related rent payments to these providers, so the tenant pays 25 per cent of their income as rent, and the Government pays the rest to the social housing provider. So in effect, the social housing providers' rental prices are artificially cheap.

Who your landlord is shouldn't determine how much Government help you get, but it does.

Under its housing agency, the Government not only pays the higher income-related rent subsidy but also supports

the agency for its losses.

This makes Kainga Ora state rental property the most expensive for taxpayers – more expensive than community housing providers. Under current settings, the Government will never get on top of the social housing list problem.

The more houses they build, the bigger the list will get.

This will only stop when the Government of the day says, "It doesn't matter who your landlord is, the amount of assistance is the same".

Tim Horsbrugh
Carterton

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