

Homelessness worsens dramatically in New Zealand under Labour

Tom Peters
9 September 2022

New Zealand's worsening homelessness crisis, driven by property speculation, soaring rents and not enough public housing, is fuelling anger towards the Labour Party-led government, as well as the re-emergence of strikes and industrial action by workers.

Labour placed the housing crisis at the centre of its 2017 election campaign. After forming a coalition government with NZ First and the Greens in October that year, Labour's Prime Minister-elect Jacinda Ardern told *Newshub* that New Zealand had "the worst homelessness in the developed world... Wages are not keeping up with inflation, the cost of housing is outstripping most people's reach."

Ardern said the fact that "hundreds of thousands of children [are] living in homes without enough to survive" showed that the capitalist market had been a "blatant failure." She said her government would ensure that people had "an enjoyable life, where their work is actually enough to survive and to support their families."

Five years later, however, poverty, inequality and homelessness have all become worse. As is happening around the world, the NZ ruling elite is forcing the working class to pay for the historic crisis of capitalism, intensified by the pandemic and the US-NATO proxy war against Russia over Ukraine.

New Zealand's annual inflation rate is now 7.3 percent. The *New Zealand Herald* reported on August 21 that the average family now needs an extra \$4,000 by the end of the year "just to live the same as they did a year ago." This is on top of a \$3,000 increase in living costs last year.

Housing costs are a major contributor. The median weekly rent in June was \$535—up from \$400 in 2017. House prices surged by 43 percent during the first two years of the pandemic, with speculative activity

encouraged by ultra-low interest rates and quantitative easing. Prices have fallen in recent months, but the national average is still nearly \$1 million, and interest on mortgages is rising.

In 2017, the government pledged to build "100,000 affordable houses." In five years, however, the state-funded Kiwibuild scheme has produced just 1,386 homes, priced as high as \$860,000 for a three-bedroom unit—out of reach of the vast majority of working people.

Meanwhile, the waiting list for public housing, restricted to people on very low incomes, has increased from about 5,000 to more than 26,000.

Nationwide, roughly 4,000 households are living in motels, hotels and boarding houses contracted by the government to provide emergency housing. Residents must pay 25 percent of their income towards the cost.

On September 4, TVNZ's "Sunday" program aired a half-hour documentary exposing the appalling conditions in emergency housing in Rotorua, a town of 77,000 people.

Before the pandemic, the town was a major tourism destination. Now, about 50 hotels and boarding houses are accommodating more than 500 households, about 1,000 homeless people. The rooms are small, often overcrowded, poorly maintained and dangerous. Some are a fire hazard, with no alarms, smoke detectors or sprinklers.

In a not unusual example, a family of five had been sharing a two-room unit for more than a year-and-a-half. They had a mini-oven to cook with, a tiny fridge and no freezer.

Sarita, who spent many months in emergency hotels with five children, told TVNZ she had been addicted to methamphetamine and could easily purchase the drug from a dealer living in the same motel. She said her

daughter was accidentally pepper sprayed by police, who had come to arrest another resident.

Several tenants spoke about the abusive behaviour of security guards employed by emergency housing provider Visions of a Helping Hand, which has received millions of dollars from the government. Sarita said she and her children eventually fled to live in a bus, rather than endure the prison-like conditions in Visions' hotels.

In a horrifying case, security guards allegedly evicted a mother, Jax, from one of Visions' units while she was giving birth. She said she was forced out of the building and into her car while still in labour. Jax's baby died two weeks later.

TVNZ reported that the Ministry of Housing is paying hotel owners \$1,000 or more per week per unit occupied. A significant layer of hoteliers-turned-slum lords has been enriched by the state, which now spends more than \$1 million a day on emergency housing.

While the crisis is particularly acute in Rotorua, there are similar conditions throughout the country. A disabled woman in her 50s, from the West Coast of the South Island, told the WWSWS that the emergency housing motel where she lived until recently now had "drug use through the roof" and "people who are not into that scene are not getting any support, nor are those who are abusing the drugs."

She said "there was a family that had six kids and another one on the way. They had one apartment, at first. They're one-bedroom places. A mum, a dad and six kids in a one-bedroom place." Eventually, the family was allocated a second unit. They spent nearly a year and a half in the motel.

The housing situation is contributing to a political crisis for the government. Human Rights Commissioner Paul Hunt declared that he was "horrified" by the TVNZ expose, and would investigate. The opposition National Party and the Maori Party both hypocritically called for an inquiry; the previous National-Maori Party coalition government oversaw rising homelessness following the financial crisis of 2008.

On September 8, Deputy Prime Minister Grant Robertson told Radio NZ that the alternative to emergency housing "is that these people would be in even less satisfactory housing conditions such as cars or overcrowded other housing."

In fact, from June 2017 to June 2022, the number of

people living in cars exploded from 93 to 477. Some are former emergency housing residents. The Australian Broadcasting Corporation (ABC) spoke with Ebony Gray, a 30-year-old woman living in her car in Auckland, who said "emergency housing [is] really unsafe and I was in a lodge where I was sexually assaulted, so I'd rather be safe in my car."

Reflecting growing anger over social conditions, support for Labour, which was re-elected in 2020 with 50 percent of the vote, slumped in a recent One News poll to 33 percent, behind National's 37 percent. A Roy Morgan poll for August placed Labour on 35 and National on 35.5 percent, raising the spectre of a hung parliament in next year's election.

Meanwhile, firefighters, healthcare workers and manufacturing workers have recently held strikes to demand better pay and conditions. So far, the trade union bureaucracy has isolated these struggles and prevented the emergence of a unified anti-austerity movement against the government.

The working class must take stock and draw fundamental political conclusions. The Ardern government's promises have proven to be a fraud. Labour is presiding over a social crisis on a scale not seen since the Great Depression. Meanwhile profits are soaring: for the 12 months ending in June, New Zealand's banks made a combined profit of \$9.7 billion, largely due to the property bubble.

The only way forward is for workers to take up the fight for socialism—in opposition to Labour and the unions, and every party in parliament. Society's wealth and resources must be redistributed to address urgent needs, including the provision of high-quality housing for all.



To contact the WWSWS and the
Socialist Equality Party visit:

wwsws.org/contact