

**Submission to**                    **Independent Commissioners**

**Re**                                    **MHUD Applications to Extend the Emergency Accommodation Contracts of Seven Motels**

**From**                                **Rotorua District Residents and Ratepayers**

**Date**                                11 August 2024

## **Background**

The Rotorua District Residents and Ratepayers (RDRR) was established in December 2015 specifically to restore democracy, to restore law and order, to restore financial prudence, and restore policy making power to elected members of Rotorua Lakes Council. It superseded the Rotorua Pro-Democracy Society that had been established in December 2014 to resist the introduction of co-governance.

The RDRR currently has 873 on its email list. It has a Facebook page that is followed by 3,569. It meets quarterly to represent the interests of members to the Rotorua Lakes Council. A draft of this submission was shared with all members and followers of RDRR to collect any final thoughts.

## **Introduction to this Submission**

The first opportunity given to RDRR and other community organizations and citizens to respond to the Ministry of Housing and Urban Development's (MHUD's) original proposal—to contract 13 motels to provide emergency housing wrap-around support services for five years—was the public hearings held by Independent Commissioners in late October 2022.

MHUD's applications had attracted 3,841 submissions from 350 submitters with an estimated 80 percent expressing opposition to the consents being granted. It was therefore a shock to many that, in mid-December 2022, the commissioners granted MHUD resource consents to operate emergency housing in all 13 motels, albeit with nine conditions.<sup>1</sup>

The three Independent Commissioners, Chairman David Hill and fellow commissioners Sheena Tepania and Greg Hill, heard many striking and diverse presentations related to MHUD's proposals. A Fenton Street hotel owner not providing emergency housing revealed

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<sup>1</sup> Makiha, K. (15 December 2022). Commissioners grant 13 Rotorua motels resource consent to operate emergency housing for two years, *Rotorua Daily Post*. <https://www.nzherald.co.nz/rotorua-daily-post/news/commissioners-grant-13-rotorua-motels-resource-consent-to-operate-emergency-housing-for-two-years/O2W23RRW7ZEYRMMKKSXKTUIHAA/>

they had spent \$129,000 on a fence to protect guests, staff and their vehicles.<sup>2</sup> A resident described Rotorua as a ‘ghost town’ due to emergency housing.<sup>3</sup> Several residents and business owners broke into tears when they spoke. Some had had to move out of their homes because of threats, families had been torn apart, and street violence and intimidation had become common, with gangs dealing drugs.

RDRR consulted its members by email prior to making a written submission in 2022.<sup>4</sup> The same process was used this time and supplemented by also making a draft submission available to followers via Facebook. RDRR opposed all 13 applications in October 2022 and today opposes all seven applications for extensions.

Please recall some bizarre moments at the hearings. The owner of the Alpin Motel claimed to be unaware that her motel was serving as contracted emergency accommodation for 100 homeless. Greet van Der Helm begged the commissioners to decline resource consent for her motel and 12 others.<sup>5</sup> Her plea was ignored.

Two other examples occurred on the final day of the hearings, on November 1, 2022. Some “exhausted” school leaders reported<sup>6</sup> that a used tampon, knives, booze bottles, condoms and human faeces had been dumped in their school’s grounds by people in local emergency housing motels. Students and staff had been threatened and had sexually explicit verbal abuse hurled at them. Children had been called a racial slur and challenged for fights because their school uniform was blue, apparently the colour of a competing gang.

Rotorua GP Johanna Meyer explained that after-hours clinics were being overwhelmed by people in emergency housing motels who didn’t have GPs and appeared to have come from out of town.<sup>7</sup> When a MHUD lawyer denied that out-of-town people were being brought to Rotorua’s motels, his statement was responded to with angry yells of “rubbish” from members of the public.

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<sup>2</sup> Wilson, M. (21 October 2022). Rotorua emergency housing motels: Local resident and business install fences, security systems, *Rotorua Daily Post*. <https://www.nzherald.co.nz/rotorua-daily-post/news/rotorua-emergency-housing-motels-local-resident-and-business-install-fences-security-systems/QF54VEPZR7HX6QA4JGR56GM4RE/>

<sup>3</sup> Almeida, R. (22 October 2022). Rotorua a ‘ghost town’ due to emergency housing, resident says, *RNZ*. <https://www.1news.co.nz/2022/10/22/rotorua-a-ghost-town-due-to-emergency-housing-resident-says/>

<sup>4</sup> Rotorua District Residents and Ratepayers (17 August 2022). RDRR’s Revised Submission re MHUD’s Application for 13 Resource Consents for Contracted Emergency Housing with a Term of Five Years. <https://rdrr.nz/rdrres-revised-submission-re-mhuds-application-for-13-resource-consents-for-contracted-emergency-housing-with-a-term-of-five-years/>

<sup>5</sup> Makiha, K. (31 October 2022). Rotorua contracted emergency housing motel owner unaware homeless were living at her property, resource consent hearing told, *Rotorua Daily Post*. <https://www.nzherald.co.nz/rotorua-daily-post/news/rotorua-contracted-emergency-housing-motel-owner-unaware-homeless-were-living-at-her-property-resource-consent-hearing-told/SYOI2GFB77426KXFN2FOEFOPSQ/>

<sup>6</sup> Makiha, K. (1 November 2022). Rotorua Seventh-day Adventist School students fearful after incidents with homeless, hearing told, *Rotorua Daily Post*. <https://www.nzherald.co.nz/rotorua-daily-post/news/rotorua-seventh-day-adventist-school-students-fearful-after-incident-with-homeless-hearing-told/ARGBT2EJW6LL7PF33YPVV5IBEM/>

<sup>7</sup> Mahika, K. (2 November 2022). Out-of-town homeless overwhelming Rotorua’s emergency health services, GP tells resource consent hearing, *Rotorua Daily Post*. <https://www.nzherald.co.nz/rotorua-daily-post/news/out-of-town-homeless-overwhelming-rotoruas-emergency-health-services-gp-tells-resource-consent-hearing/DOKI2ZF663D3MVLDDDG3LZG2A/>

This submission therefore starts by revisiting the arguments made in 2022 to identify those that are still relevant.

## The Situation in October 2022

Our written submission dated 17 August 2022 provided detailed arguments against the proposed consents in 10 areas that are available online and need not be reiterated. During the hearings the Commissioners heard decent citizens and ex-citizens describe how they have been affected personally. It is wrong for citizens in a democracy to have their views disregarded. It is also morally wrong to keep treating people badly.

It is notable that all successful candidates in the local elections held in October 2022 promised to end what we regarded as Rotorua's homeless industry. It has continued to be the most salient issue in local politics because those promises were not honoured.

RDRR members' view is that the causal story behind the difficulties we faced in 2022 has not changed substantively. Hence, once again, we beg the Commissioners to rectify matters with an effective remedial strategy, starting by denying any extensions.

The reason is that the situation in 2022, and now two years later, is primarily caused by Rotorua's community, culture, economy, and environment being abused by a policy admitted in a series of MHUD papers to cabinet<sup>8</sup> to be an experiment using a "pilot place-based approach."

The experimental design had six components that created the homeless industry we are still suffering from:

1. A Rotorua Housing Taskforce established in late March 2021 comprising our Council, MSD, MHUD, Kainga Ora, Te Puni Kōkiri and Ngāti Whakaue, ostensibly to manage the experiment, or more accurately in our view, to manage the narrative about the experiment that included trafficking the homeless.
2. The Ministry of Social Development (MSD) moving homeless into Rotorua from April 2021 to the point today where our District has 3.27 percent of New Zealand's total population but about 10 percent of its homeless population. I say 'about' because the actual numbers have been different on two dashboards and contested.
3. The bussing of homeless into Rotorua—that was ostensibly intended to provide emergency housing and support to those in need—crossed the line into human trafficking. Human trafficking is defined by the United Nations as "the recruitment, transportation, transfer, harbouring or receipt of people through force, fraud or deception, with the aim of exploiting them for profit."<sup>9</sup>

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<sup>8</sup> Cabinet Office, NZ Government (14 June 2021) Cabinet Business Committee, Minute of Decision: Improving the Provision of Emergency Housing in Rotorua and Potential Expansion.  
<https://www.hud.govt.nz/assets/Uploads/Documents/PR21-010-CBC-21-MIN-0061-Minute.pdf>

<sup>9</sup> United Nations Office on Drugs and Crime (undated). Human trafficking.  
<https://www.unodc.org/unodc/en/human-Trafficking/Human-Trafficking.html>

4. MSD funding Te Pokapū, a for-profit homeless reception centre owned by Ngāti Whakāue, to triage needs and allocate emergency accommodation in motels.
5. Kāinga Ora purchasing land and building social housing at scale.
6. MHUD applied to contract 13 motels to consolidate the homeless industry by providing about 1100 emergency accommodation places for five years with average stays of up to three months.

Although the homeless industry expanded at pace during the rest of 2021, the Taskforce's policy narrative gradually disintegrated as community respect evaporated for Council and its partners on the Taskforce, especially with poor quality of care for the homeless in the motels and the monumental profits being made.

The MSD's once confidential paper dated April 13, 2022, on the Rotorua Emergency Housing population<sup>10</sup> revealed a corrupted methodology that reclassified those who had been in Rotorua more than 30 days as locals. This was widely interpreted as *mahi tinihanga*, devious work, and confirmed a common view that MSD has helped turn Rotorua into a "dumping ground" for New Zealand's homeless.

On October 27, 2022, it was confirmed<sup>11</sup> that measures of population growth, the fundamental justification for the Council's investment strategy since 2013, were obsolete. While the Bay of Plenty had the second highest population growth of all regions in New Zealand between June 30, 2020, and June 30, 2022, Rotorua District had experienced 0.47 percent depopulation. All planning and housing policies and projections in Rotorua should have been revised downwards, with rescaling and cost compression in the governments' homeless programmes.

## The Situation in August 2024

Despite the massive degree of public investment by the past and current central and local governments, the 'place-based' experiment in Rotorua has failed to add value and has adversely affected the lives of the many hundreds still concentrated in contracted emergency accommodation and many thousands of Rotorua's residents and ratepayers.

One submission to RDRR by a member, that was typical of many, noted:

We need a Sinking Lid Policy to ensure there are no more homeless coming to Rotorua so that the tourism industry can recover. With a sinking lid policy, please cancel the contracts of motels furthest from the main group to tighten security in the remaining

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<sup>10</sup> Ministry of Social Development (13 April 2022). Report: Rotorua Emergency Housing Analysis. <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/rotorua-emergency-housing-analysis-redacted.pdf>

<sup>11</sup> Houpt, E. (27 October 2022). Bay of Plenty' population growth second highest in country, *New Zealand Herald*. [https://www.nzherald.co.nz/rotorua-daily-post/news/bay-of-plentys-population-growth-second-highest-in-country/TAWXF3BAHKY7SIAJCHWEUPGIRA/?fbclid=IwAR2n2eP8M2I3XncwCaC-\\_m5KH6wwr18h7GIMouecScff0LwG5bIEmufaXY](https://www.nzherald.co.nz/rotorua-daily-post/news/bay-of-plentys-population-growth-second-highest-in-country/TAWXF3BAHKY7SIAJCHWEUPGIRA/?fbclid=IwAR2n2eP8M2I3XncwCaC-_m5KH6wwr18h7GIMouecScff0LwG5bIEmufaXY)

area. Once people are given social housing the motel should not be filled up with more homeless. The Motels contracted should be reduced one at a time but may require some homeless to move to a different motel. Some schools will face staff recruiting challenges due to surges and declines of homeless, just as staff getting older. Crime will increase and begging and safety issues will get worse if more marginal homeless arrive.

House building numbers are being reduced by Government pressure. There are a number of empty plots where houses have been taken away with no time frame for rebuilding. House values have been dropping but rates do not reduce due to valuations being done at peak times. New valuations are on rate demands from 1 July 2024, causing huge stress due to a cost-of-living crisis. Please provide a phone number that residents can ring in case of emergencies. Please have more Police on the streets in Rotorua.

Four implications can be drawn:

1. It is unreasonable to offset these negative effects by citing the advantages enjoyed by the hundreds provided social housing in Rotorua by Kāinga Ora and MHUD, especially those known to have been trafficked into Rotorua and cynically redefined as 'locals.'
2. As RDRR pointed out two years ago, the scale of the MHUD's originally proposed throughput of homeless people, projected to be up to about 15,000 over five years, could not possibly be matched by the social housing builds then projected by Council and Kāinga Ora. Given the now obvious and significantly adverse impacts, the central government's relocation and concentration strategy continues to be reckless.
3. Crucially, since further harm can now be prevented, the strategy should now be dismantled, not extended.
4. The proposed extensions to consent would add a component to an already-failed experiment. Once again, MHUD's proposal must now be regarded as an attempt to consolidate a failed attempt to establish a public-sector homeless industry.
5. None of the applications from MHUD recognise the growing and potential provisions of social housing by the private sector. This factor alone should cause the Commissioners to pause in their decision making until an independent analysis can be provided of supply and demand.
6. Please note from the most recent local and general elections that the experimental homeless industry is the most salient political issue in the Rotorua community. If not resolved with a substantial change in strategy and practice, the consequences for those in emergency accommodation, in Rotorua's community and in our constituency will be even more significant in two years' time.

Hence, the members of RDRR would be eternally grateful if you, the Commissioners, would deny the MHUD proposal in its entirety rather than extend an experiment that has patently failed its clients and hosts, except for a small group of motel owners, a few

hundred recipients of social housing, and central and local politicians and government officials.

## **Recommendations**

Given the substantial evidence and public sentiment, it is imperative to address the failed "place-based" experimental strategy and its adverse effects on Rotorua's residents, community, and environment.

Therefore, the Independent Commissioners are urged to:

**1. Deny the Extension Applications:**

- Reject the MHUD's applications to extend the emergency accommodation contracts of the seven motels. The strategy has proven detrimental, with significant negative impacts on the local community and inadequate support for the homeless population.

**2. Recognize the Experiment's Failure:**

- Acknowledge that the initial policy experiment has failed to achieve its intended outcomes and has instead exacerbated social issues within Rotorua. Extending this failed approach would only prolong and potentially worsen these problems.

**3. Prioritize Community Well-being:**

- Emphasize the well-being and safety of Rotorua's residents by dismantling the current emergency housing strategy. A new approach should be developed that considers both the needs of the homeless population and the broader community's health and safety.

**4. Provide Comprehensive Consultation:**

- Urge the Rotorua Housing Taskforce members to engage with local stakeholders, including residents, community organizations, and local government officials, to develop a sustainable and community-supported strategy for addressing homelessness in Rotorua.

**5. Support Alternative Housing Solutions:**

- Encourage the development and support of alternative housing solutions, including private sector initiatives and smaller-scale, community-based approaches, to provide more stable and effective support for the homeless population.

By taking these actions, the Commissioners will not only rectify the issues caused by the previous policy but also restore public trust and contribute to a more sustainable and equitable housing strategy for Rotorua.

I would like to speak to my submission at the Hearings. Thank you,

Reynold Macpherson  
Chairman, RDRR