



## Public housing serves those with the greatest need—contrary to Government's review claims

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## **Summary**

Who lives in public housing in Aotearoa New Zealand? And do they have higher levels of need compared with people receiving other forms of housing support? This Briefing examines the differences between people living in public housing and those supported by the Accommodation Supplement. We compare the sociodemographic characteristics of each group and their interactions with government services in the five years before they started receiving housing support, to critically examine the disparities in their needs.

Contrary to a government-commissioned review, we find that the Public Housing cohort are significantly more vulnerable across multiple domains, and are more likely to be Māori, Pacific Peoples, children, single parents, and to have been living in overcrowded, damp, and mouldy homes in high-deprivation areas. They also have higher rates of hospitalisations, mental health service use, and judicial system interactions prior to receiving housing support.

We conclude that early intervention and maintaining and expanding public housing stock will help to improve outcomes for vulnerable populations.

Housing support in Aotearoa New Zealand (NZ) has long been a cornerstone of social welfare policy, with successive governments implementing various forms of assistance to address housing insecurity.

This includes the provision of either **Public Housing** or the **Accommodation Supplement**.

**Public Housing** is rental accommodation provided by the government, where low-income households from the Ministry of Social Development's Public Housing Waiting List pay no more than 25% of their household income for rent.

**Accommodation Supplement** is a weekly means-tested, non-taxable government payment, that helps to cover the costs of people's rent, board or home ownership.

In December 2023, the Government commissioned an independent review of Kāinga Ora – Homes and Communities, including an analysis of housing welfare recipients conducted by consultancy firm Taylor Fry. This analysis reported that the Accommodation Supplement population had more complex needs than the public housing population. This finding was cited by the review as evidence that "social housing is not necessarily being accessed by those households who currently need it most."  $(p.11)^2$  An implication of this is that state provision of public housing could be reduced and replaced with lower-cost forms of housing support, such as the Accommodation Supplement.

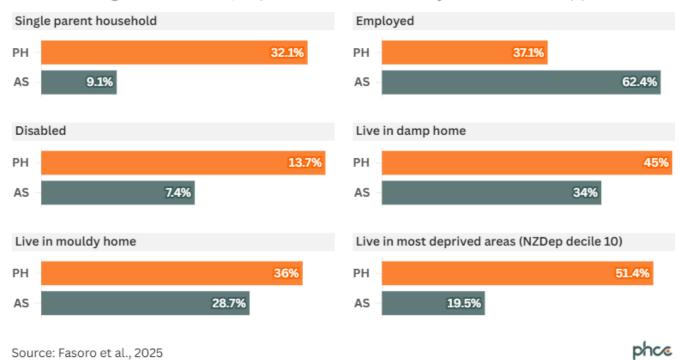
However, we identified many methodological issues with the Taylor Fry report, which led to, in our view, incorrect conclusions.<sup>3</sup> Our own findings tell a different story. Our research,

published in the international journal <u>Housing and Society</u>, focused on including all household members, especially children aged 15 and below (a group overrepresented in public housing),<sup>4,5</sup> and analysing demographic characteristics and prior government service interactions at the point of receipt of housing support.

Using linked administrative data from the Integrated Data Infrastructure (IDI), we identified over 90,000 Public Housing tenants and 1.68 million Accommodation Supplement recipients whose first receipt of housing support was between 2016 and 2020. Analysis of this data allowed us to compare these two groups (Figure 1).

## Figure 1. Public housing tenants (PH) experience higher need than accommodation supplement recipients (AS)

Across a range of measures, captured at the time they first receive support



### **Key findings**

Sociodemographic Characteristics: Public housing tenants were disproportionately female (55.1%), Māori (47.3%), Pacific Peoples (37%), children under 18 (48.1%), and single-parent households (32.1%). In contrast, Accommodation Supplement recipients were predominantly European (58.4%) and older. The Public Housing cohort had higher rates of disability (13.7% vs. 7.4%) and were more likely to be regular smokers (37.2% vs. 22.5%). While children in both cohorts had similar school absenteeism rates, a sharp increase (43% for Public Housing and 32% for Accommodation Supplement) was observed the year before receiving housing support, reflecting heightened stress and instability for school-age children.

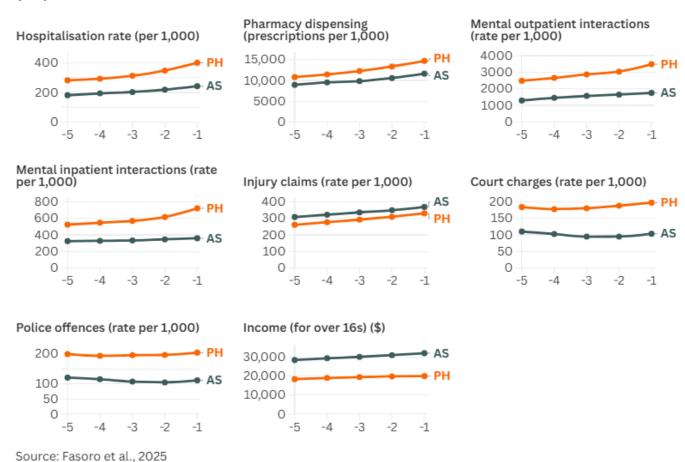
Housing Conditions and Deprivation before receiving housing support: We used the 2018 Census to assess housing conditions and area deprivation. We found that Public Housing tenants were more likely to live in damp (45%) and mouldy (36%) homes, with 37.5% experiencing overcrowding. Area deprivation data showed that 51.4% of Public Housing tenants lived in the most deprived areas (NZDep decile 10), compared to 19.5% of

Accommodation Supplement recipients. This highlights the concentration of the Public Housing cohort (and public housing in general) in socioeconomically disadvantaged areas before becoming Public Housing tenants.

Health Outcomes: Health data showed that Public Housing tenants had higher annual rates of hospitalisation (400 hospitalisations per 1,000 people) compared to Accommodation Supplement recipients (240 hospitalisations per 1,000 people). Mental health service use and pharmaceutical dispensing were also higher among Public Housing tenants. These trends suggest greater health needs and poorer wellbeing prior to receiving housing support. The only exception was that Accommodation Supplement recipients made more injury claims than Public Housing tenants. This could be because the Accommodation Supplement recipients were more likely to be employed (62.4% vs. 37.1%) and were aware of the processes involved in making work- and non-work-related injury claims (Figure 2).

# Figure 2. Government service interactions and income five years before receiving housing support

Among public housing tenants (PH) and accommodation supplement recipients (AS).



Judicial Outcomes: We looked at police offences and court charges five years prior to receiving housing support and found that rates of both were higher among the Public Housing cohort compared to the Accommodation Supplement cohort. While both cohorts had relatively low overall interactions, the Public Housing cohort's court charges rate increased by 11%, while it decreased by 9% among the Accommodation Supplement recipients in the five years before receiving housing support.

### **Implications**

The National-led Government's view on public housing, and current policy on housing support, is partly based on the findings of this independent review¹ by Taylor Fry. We refute this in our paper, finding many flaws in how it was conducted. This report, and the wider government review, has resulted in the government cancelling several building projects that would have delivered over 3,500 public homes, planning to sell a fifth of vacant lands meant for public housing,⁶ and already selling existing homes⁶. No official figure is publicly available on how many public homes have been sold. These actions have likely exacerbated the housing crisis, leading to a rise in homelessness and undermining housing support for the most vulnerable.<sup>8</sup> The government must continue funding and building public homes; our research shows that the most vulnerable people in NZ depend on them. It is also important that public policy must be based on rigorous and accurate evidence.

## What this Briefing adds

- Robust evidence shows that public housing tenants have higher levels of need than Accommodation Supplement recipients across multiple domains such as health, income, judicial interactions, and housing.
- These findings contradict those of the Taylor Fry report which has had an influence on housing policy.

## Implications for policy and practice

- Public housing must be expanded and adequately funded to meet the needs of the most vulnerable.
- Market-side interventions like the Accommodation Supplement are insufficient for those in severe need of housing support.
- A robust, independent evidence base is always needed for re-evaluating housing policy and ensuring that support mechanisms align with the actual needs of vulnerable populations.

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#### **Author disclosures**

Philippa Howden-Chapman was a director on the board of Crown agency, Kāinga Ora – Homes and Communities (formerly Housing NZ), (2018 -2024). The views expressed here are her own and those of the authors and do not represent the views of the board.

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