

Accommodation Supplement Receipt

What this is about...

The Accommodation Supplement is a weekly benefit paid to welfare beneficiaries and low income earners who are spending over 25% of their income on rent or 30% of their income on mortgage payments. The amount of supplement received is determined using a formula that takes into account the individual's income and assets, household size and the level of regional maxima payments available to the person depending on the geographical region in which they live.

The number of Accommodation Supplement recipients provides an indication of housing affordability by looking at the number of low income people reliant on government assistance to meet one of their most basic of needs. It is also an indicator of levels of hardship and low income.

This indicator looks at the number of people who are receiving the Accommodation Supplement as a percentage of the population in each city.⁴²

What did we find ?

Similar proportions of people in Auckland (10%), Christchurch (10.6%) and Waitakere (11%) Cities received the Accommodation Supplement in 1999, while Wellington's rate was slightly lower at 8.3%. The rest of New Zealand had similar rates of people receiving the Accommodation Supplement to most of the large cities.

ACCOMMODATION SUPPLEMENT RECIPIENTS (YEARS ENDED MAY)
AS A PROPORTION OF CITY POPULATION (AT JUNE 1998, 1999)⁴³

	1998		1999		2000
	Number	%	Number	%	Number
Auckland	37,728	10.0	38,245	10.0	38,258
Manukau	32,644	11.8	34,297	12.2	36,190
North Shore	9,412	5.1	10,199	5.4	12,398
Waitakere	17,616	10.5	18,853	11.0	18,201
Wellington	13,815	8.3	13,833	8.3	12,249
Christchurch	33,397	10.4	34,238	10.6	34,400
Rest of NZ	221,306	9.6	226,577	9.9	226,729

Data Source: Department of Work and Income

The level of people receiving the Accommodation Supplement tends to be closely associated with other indicators of hardship.⁴⁴ In areas where the proportion of people on lower incomes is high, where the proportion of state housing to rental dwellings is high and where there are high rates of Maori and Pacific Islands people, the number of Accommodation Supplement recipients also tends to be high. As such, Manukau City, at 12.2% had the highest proportion of residents receiving the Accommodation Supplement in the year to May 1999 of any of New Zealand's six largest cities. It also had the highest proportion in 1998 (11.8%).

42 Statistics New Zealand does not provide annual estimates of the number of households at a city level. Nor does it provide age specific estimated population breakdowns. Breakdowns such as these might give a more accurate reflection of Accommodation Supplement receipt as children are not eligible to receive the Supplement.

43 Statistics New Zealand population estimates for 30 June 2000 were not available until approximately November 2000, so rates were not calculated for 2000 figures. Readers should note that population changes or changes in housing costs between 1999 and 2000 may account for changes in the numbers of Accommodation Supplement recipients.

44 The rate of Accommodation Supplement recipients reflects overall welfare benefit uptake rather than just uptake of the Supplement.

North Shore had the lowest proportion of residents receiving the Accommodation Supplement in 1999 of any of the six cities (5.4%). It also had the lowest proportion in 1998. No allowance is made within Supplement maxima for rental variations within regions and cities. Thus, in cities such as North Shore where housing costs are higher relative to other areas, residents potentially face greater affordability pressures. The result is that low income tenants are priced out of high cost suburbs.⁴⁵

The number of Accommodation Supplement recipients as a proportion of the population did not change between 1998 and 1999 in Auckland and Wellington Cities and rose slightly in the other four largest cities. There was also a slight increase in the rest of New Zealand. However, uptake of the Accommodation Supplement in New Zealand has slowed from 1994 onwards with the completion of rent reviews for Housing New Zealand tenants who had become eligible to receive assistance.

In all cities, people of European ethnicity were under-represented, while people of Maori, Pacific Islands and Other ethnicities were all over-represented amongst Accommodation Supplement recipients, as they are amongst welfare recipients in general. The over-represented groups are generally more likely than other ethnic groups to be either beneficiaries and/or low income earners and therefore eligible for the Supplement.

Accommodation Supplement recipients are more likely to live in rented accommodation than in their own homes. The higher the median weekly rent, the less affordable the housing (particularly for low income earners) and therefore the greater the likelihood that people will need financial assistance (such as the Accommodation Supplement) to meet these costs.

People Living in Crowded Households

What this is about...

Crowding is an indicator of housing need as well as affordability. It provides information on the suitability of a dwelling to the household occupying it.

Crowding is usually associated with low incomes as those with higher incomes can usually afford suitable housing. People living in crowded households often have lower personal incomes, higher unemployment and greater reliance on income support.

Crowding is connected with other issues such as poor health status, particularly respiratory diseases, the communication of infectious diseases and psychological stress. As such, it brings with it significant social and health costs to the individuals directly affected and to society. The potential future effects for society include lowered academic achievement, high rates of ill health and community breakdown. Crowding often results in insufficient privacy and personal space and is connected with low educational attainment. Ill health and sleeplessness associated with crowding make it hard for children to study at school and make homework completion difficult.

This indicator measures the proportion of people in private dwellings who are living in crowded households. Crowding refers to situations in which the number of people residing in a household exceeds the capacity of the household to provide adequate shelter and services to its members.⁴⁶ There is no official crowding statistic or index to measure crowding in New Zealand. This indicator uses the Australian Bureau of Statistics Index⁴⁷, which is sensitive to household size and composition, in establishing a household's bedroom requirements. Initially developed by the Canada Mortgage and Housing Corporation in the 1980s, the Index allocates a separate bedroom to:

- each couple
- each pair of adolescents of the same sex aged 10 to 18 years
- each pair of children under 5 years
- any other person aged 18 years or older.

For our analysis, crowded households are those requiring two or more additional bedrooms.⁴⁸

45 New Zealand Council of Christian Social Services. October 1999. Taking Stock! A Report on the Problems and Possibilities for Housing Policy in New Zealand.

46 Statistics New Zealand. 1998. New Zealand Now: Housing.

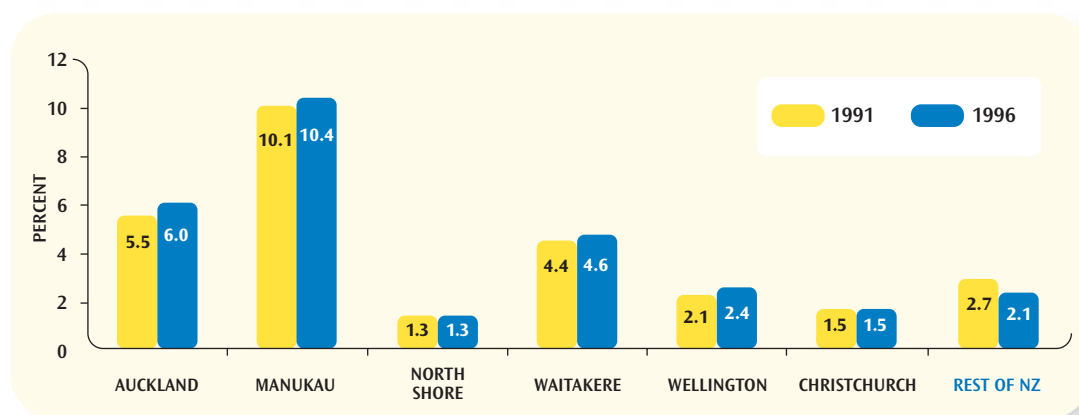
47 The definition of crowding used for this analysis is not an official definition for New Zealand in that it covers reported overcrowding only. In addition, this indicator provides a static picture of crowding, whereas in reality the issue is actually more dynamic. Measures based on bedroom occupancy (such as the Australian Bureau of Statistics Index) are limited. First, bedroom size is not accounted for and second, actual bedroom or room usage cannot be ascertained. Further, households vary in their need for space and in their perception of crowding.

48 It is difficult to gauge the true extent of crowding as those living in these conditions are often unwilling to admit it for a variety of reasons. These include fear of eviction and fear that overstayers will be discovered. This is particularly the case for Pacific Islands households.

What did we find ?

- Crowding is particularly an issue in urban areas in New Zealand where 1.4% of households fall within our crowding criteria, compared to 0.9% of rural households.⁴⁹
- Crowding is an important issue in the Auckland Region because of its unique population structure and housing affordability problems for some sectors of the population and because of high rates of migration into the Region. However, there are large variations in crowding rates within the Region.
- Manukau City has the highest level of crowding of the six largest cities, with 10.4% of all residents living in crowded households.
- Crowding in the six largest cities did not change significantly between 1991 and 1996, with only small increases in Auckland, Manukau, Waitakere and Wellington. Crowding decreased slightly in the rest of New Zealand and remained static in Christchurch and North Shore Cities. While proportionally the level of crowding has not increased, the numbers living in crowded households have, in fact, increased and this trend was expected to continue following the 1996 Census due to housing affordability issues for low income people.

PERCENTAGE OF PEOPLE IN PRIVATE DWELLINGS
LIVING IN CROWDED HOUSEHOLDS, BY CITY (1991 AND 1996)



Data Source: Statistics New Zealand

Crowding is especially an issue for people of Pacific Islands and Maori ethnicity. These ethnic groups tend to have large households, younger age structures, higher proportions of children in families, prevalence of extended family living arrangements (which most New Zealand homes do not cater for), lower personal incomes, higher unemployment and consequent welfare dependency.⁵⁰ Where there are higher concentrations of Pacific Islands people and Maori (such as in Otago and Mangere), crowding is higher. Pacific Islands people tend to live in urban areas and have higher concentrations in the Auckland Region. The rate of crowding amongst Pacific Islands people is 28.5% (14,379) in Manukau and 25.5% (10,140) in Auckland City.⁵¹ Waitakere City also has a reasonably high level of Pacific Island crowding. While not as exaggerated as the Manukau and Auckland experiences, similar patterns emerge in our other large cities when looking at the ethnic composition of crowded households.

Crowding among people in the 'Other' ethnic category is high in some areas, particularly in Wellington and in the Hagley Ward in Christchurch. This category may include refugees and recent immigrants who tend to gravitate to larger cities in search of employment and support services. Doubling up of families is seen as a way to reduce overall housing costs for some people on low incomes who are establishing themselves in New Zealand.

Differing cultural attitudes to the number of people living in a house and differing cultural propensities for the pooling of resources can also help account for higher numbers of people in some households among some non European population groups. Extended family groupings are common, as are larger nuclear families with more children than the New Zealand average.

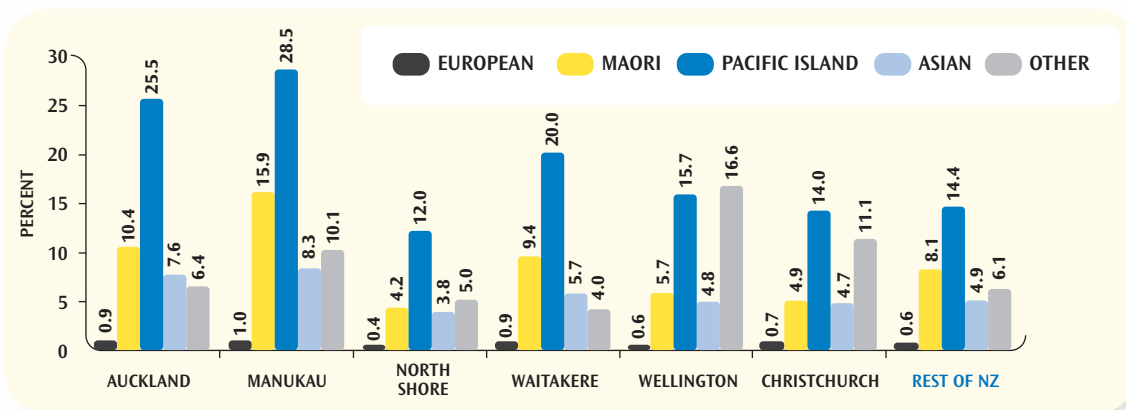
49 Statistics New Zealand. 1998. New Zealand Now: Housing. Please note that this analysis looks at the number of people in private dwellings or households, whereas Statistics New Zealand's analysis looks at the number of households. It should be noted that high housing costs in urban areas have driven some low income people and marginalised groups to rural areas.

50 For example, Housing New Zealand stock continues to be dominated by low density suburban single unit dwellings, yet, particularly in the Auckland Region, the need is for larger dwellings. The tension is that high land prices make such dwellings more expensive to build.

51 In fact, 55% of all Manukau residents living in crowded households were Pacific Islands people.

Crowding is not a significant problem for Europeans in our large cities, nor is it in the rest of New Zealand. Europeans do not feature prominently in indicators of deprivation and have lower unemployment rates, higher educational attainment and feature in higher income brackets than other ethnic groups. Further, Europeans with families tend to live in nuclear family arrangements, rather than in extended family situations.

PERCENTAGE OF PEOPLE IN PRIVATE DWELLINGS LIVING IN CROWDED HOUSEHOLDS, BY ETHNICITY (1996)⁵²



Data Source: Statistics New Zealand

Central and Local Government Housing Provision

What this is about...

The level of central and local government owned housing in a city gives an indication of the city's ability to provide housing for people on low incomes who might not otherwise be able to afford their accommodation.⁵³ The percentage change in the number of Housing New Zealand units by city indicates whether the level of government housing is increasing or decreasing in each city (and thus the government's policy commitment to the provision of housing).

This indicator outlines the proportion of all rented private dwellings in each city that were Housing New Zealand units, for the years ended May 1998, 1999, and 2000 and the proportion that were owned by local authorities.⁵⁴

What did we find ?

CENTRAL GOVERNMENT OWNED HOUSING

- Housing New Zealand properties make up the largest proportion of state sector rentals in New Zealand. However, the majority of the country's rented dwellings are leased from an individual or private trust.
- Higher state housing densities are usually found in areas where indicators of deprivation are strongest and in turn, low income households have traditionally been given priority for state housing in New Zealand. Low income households have tended to move to areas where there are high concentrations of Housing New Zealand homes. Manukau City is strongly reflected in indicators of deprivation and serious housing need and had a higher number of Housing New Zealand units as a proportion of all rented private dwellings than any of our other large cities and proportionally more than the rest of New Zealand, at 51.5% in the year to May 2000. State housing tends to be located in areas of housing need.

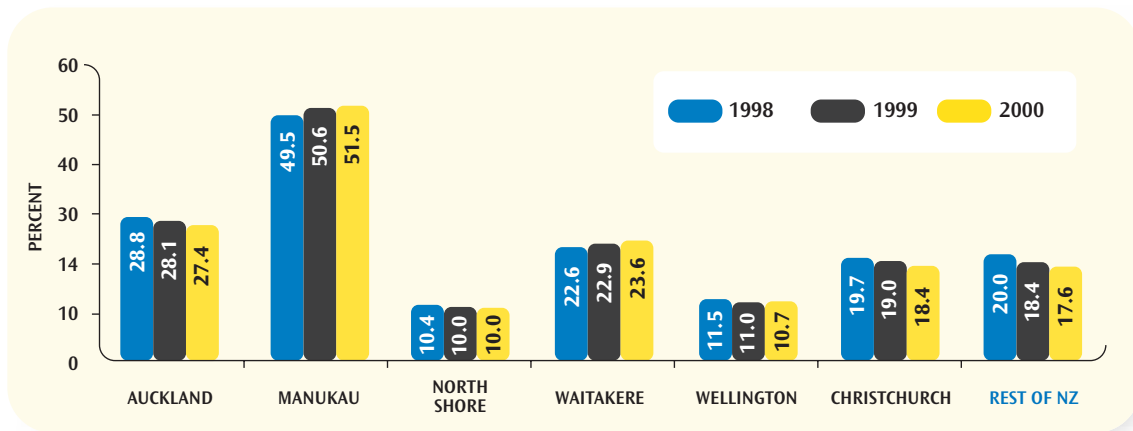
52 Proportions of each ethnic group in crowded conditions were calculated as a proportion of that ethnic group's population in the city.

53 It should be noted that when Housing New Zealand implemented income related rents in December 2000, not all tenants received a rent rebate. Some tenants were ineligible (some are paying over 25% of their income on rent and some are paying full market rents). It must also be noted that private sector low income households are eligible for the Accommodation Supplement which, in some cases may provide a subsidy that is very near to what they would receive if in Housing New Zealand accommodation.

54 Total number of private dwellings by city from the 1996 Census was used as a base for calculating the number of Housing New Zealand units and Council houses as a proportion of all rented private dwellings in each city. We do not have estimates of the number of rented private dwellings between Census periods. The provision of housing stock data by the Councils was inconsistent and varied greatly in its comprehensiveness. This prevented a more detailed analysis of the data. Rented private dwelling figures include private sector rental dwellings (ie. those leased from a person, private trust, business or other private organisation).

- High median house prices in Auckland City have resulted in affordability problems for those on low incomes. The city has a reasonably high number of Housing New Zealand houses proportional to total rented dwellings at 27.4% as does Waitakere on 23.6%, compared to our other larger cities such as Wellington (10.7%), North Shore (10%) and Christchurch (18.4%).

HOUSING NEW ZEALAND UNITS AS A PROPORTION OF RENTED PRIVATE DWELLINGS IN EACH CITY (YEARS ENDED MAY 1998, 1999, 2000)



Data Source: Housing New Zealand

The need for government housing is high in the Auckland Region as low income people face affordability problems due to high housing costs. However, most of the growth in the number of Housing New Zealand homes in the Region has occurred in two cities - Manukau and Waitakere. Lower land values in these two cities has encouraged growth - land and dwelling prices influence the level of state housing provision. In areas where prices are high, it is less economically viable to build state housing and usually the provision is lower in these areas. In turn, the need for such dwellings is often lower in these areas as low income earners have been excluded from living there due to high housing costs.

High population growth in cities such as Manukau, particularly among low income groups, has necessitated more subsidised housing.

All the other large cities have shown a decline in the number of Housing New Zealand units as a proportion of rented dwellings. This reflected the decline that occurred nationally.

Central government provision of housing in New Zealand has changed over the past decade. The focus of housing policy for much of the last decade was on income support for those with housing affordability difficulties rather than on housing stock development.

PERCENTAGE CHANGE IN THE NUMBER OF HOUSING NEW ZEALAND UNITS, BY CITY (YEARS ENDED MAY 1999, 2000)

	1999 (%)	2000 (%)
Auckland	-2.5	-2.4
Manukau	2.1	1.8
North Shore	-4.2	0.1
Waitakere	1.5	2.8
Wellington	-3.7	-3.0
Christchurch	-3.4	-2.9
Total NZ	-4.9	-2.6

Data Source: Housing New Zealand

LOCAL AUTHORITY OWNED HOUSING

All of our large cities provide some form of local authority owned housing for residents, mainly for older people.⁵⁵ Proportional to all rented dwellings, Wellington City (at 13.6%), provides around three times as much housing as any other large city, with the exception of Christchurch City. Proportionally, Christchurch (at 9.3%), provides around twice as much as the other cities.

The nature of the political environment and council housing policies reflect the commitment of local authorities to the provision of subsidised housing stock. For example, Christchurch City has embarked recently on partnerships with central government and the community sector to increase housing stock.

The appropriateness and location of central and local government housing stock for meeting the diverse needs of potential tenants is an issue. An identified area of need in relation to both central and local government stock, particularly in the Auckland Region, is for three to four bedroom dwellings for larger (and often extended) families.

NUMBER OF LOCAL AUTHORITY OWNED HOUSES AS A PROPORTION OF RENTED PRIVATE DWELLINGS IN EACH CITY (2000)

	Number	% of Rented Private Dwellings	Status
Auckland	1,802	4.6	Older person's housing (1,672); General residential (130)
Manukau	518	3.1	Older person's housing (518). Sometimes made available to special needs groups
North Shore	495	4.0	Older person's housing (458); Owner occupied dwellings that must be sold back to the Council when the owner ceases living at the address (37)
Waitakere	335	3.4	Older person's housing (335)
Wellington	2,359	13.6	Wellington's housing policy targets low income older people, people with mental health issues, etc. 70% of the stock is one bedroom units or bedsits
Christchurch	2,557	9.3	Older person's housing (2,119); Public rental units (407); General housing (7); Roading houses (24). Housing is available to older people and special needs groups with limited assets

Data Source: Data supplied by each Council

55 During the 1990s, Auckland City sold off housing stock. However, with a change in the political environment and recognition of increasing housing affordability problems in the City, this trend has been halted.