

BACKGROUNDER 21 (JUNE 2002): ACCOMMODATION SUPPLEMENT

This accommodation supplement backgrounder was prepared by Alan Johnson and represents a work in progress.

The conclusions of the backgrounder are presented below. The full backgrounder can be downloaded or viewed online.

Conclusions

A number of conclusions may be drawn from this data and discussion, some of which may be quite contentious. It may be argued that recent immigration and its impact on house prices etc is the cause of housing problems for New Zealand's poorest families. It may also be argued that state tenants are being treated too generously in comparison to private sector tenants and that they should have their levels of subsidies reduced. The Child Poverty Action Group does not draw such conclusions and sees them as being quite specious.

Clearly Government has a significant problem shifting housing policy away from one focused on subsidising landlords to one which supports low-income families. The implications however of not making this shift is that the present policy will become more and more expensive and less and less effective as a social policy tool.

Information collected elsewhere by Child Poverty Action Group suggests quite strongly that overcrowded housing and unstable housing arrangements are a significant cause (and perhaps the most significant cause) of the both poor health status and low levels of educational achievement of New Zealand's most vulnerable children. Providing these children with decent affordable housing is the most important step that can be taken to improve the wellbeing and prospects of these children.

Child Poverty Action Group believes that Government should embark on a three pronged approach to housing New Zealand's most vulnerable children and their families. Such a programme should include:

- a major increase in rates of state house building—perhaps to as many as 5000 house per year,
- a significant programme of state backed lending to low-income families to enable them to own their own homes, and,
- a programme of lending or loan guarantees to “third sector” housing providers such as housing trusts, housing co-operatives and iwi based housing agencies to enable them to offer further housing alternatives to low income families.

At this stage CPAG believes that Government should consider the longer-term fiscal implications of the present Accommodation Supplement policy and compare these against the financial and social value of an adequately funded low-income home ownership programme.

Original document in Microsoft Word/OpenOffice.org format¹ (356,352 bytes).

Converted HTML version² generated by wvWare.

¹http://cpag.org.nz/backgrounders/Backgrounder_21_Accommodation_Supplement.doc

²http://cpag.org.nz/backgrounders/Backgrounder_21_Accommodation_Supplement.doc-html/