



Frequently Asked Questions About State Housing in New Zealand



This Home is Occupied
ST PAUL St Gallery, 30 May - 25 July 2014

What is the argument behind recent policy changes?

Affordable housing in New Zealand is in high demand, with over 30 percent of the population struggling to find quality, affordable accommodation. This shortage has placed pressure on the country's state housing stock. There are currently 10,000 people on the waiting list for occupancy of the nation's 69,000 state owned houses. Rather than dealing with this crisis as a shortage and solving this through building more state houses, the Government is reducing the state housing stock by selling off existing houses to private investors. One of the ways this profit-driven agenda is achievable (without too much public outcry) is by shifting the blame to individual residents. The Government has reframed the housing shortage as an issue of long-term dependency and therefore moving people out of state houses is 'freeing up' homes for those most in need. Meanwhile the Government is selling off many of its state homes to private developers, meaning the housing stock is actually declining. It seems the shift in blame is simply a distraction to justify the sale of state homes to the general public and mainstream media.

What is the problem with current state housing conditions?

The Government claims that houses are deteriorating and not well maintained and therefore should be removed and the land sold. However, this issue of quality only seems to be a concern in areas where the land values are high. Internationally, there is a trend of local and central governments diminishing their responsibility to maintain the condition of their housing stock in preparation for processes of redevelopment. The blame is for deterioration and damage to property displaced onto tenants in order to justify their removal. Landlords have the responsibility to their tenants to provide a service – this includes fixing damage which is out of the tenant's control. However, tenants often wait for significant amounts of time for household damage to be fixed.

What are the justifications behind the Government's move to sell off state housing to private developers?

The Government justifies its sale of state houses to private developers through the claim that houses are in poor condition, and that housing should not be provided for all but instead those in the 'greatest need'. Rather than simply investing money in improving their condition, state houses occupying land with high values attached are being removed and the land sold to private developers. However, in other parts of the country where land values are not so high the same 'low quality' houses are maintained rather than redeveloped.

What is social housing?

The Social Housing Reform (Housing Restructuring and Tenancy Matters Amendment) Act 2013 outlines social housing as an umbrella term for both Housing New Zealand (HNZ) housing and those run by Community Housing Providers (CHPs).

How different is state housing from social housing?

In policy and legislation released by Government since 2013 the language used to describe the state housing stock in Aotearoa/ New Zealand has shifted from state housing to social housing. This change in language is a strategic move in order to confuse the public and shift responsibility from the state as provider, as the Government pushes through legislation and policy to restructure and privatise the housing stock.

Community groups managing social housing sounds pretty good. What is the problem?

Non Governmental Organisations (NGOs) taking on what was previously the role of the state changes the nature of state housing. Firstly, social housing managed by community groups situates housing as temporary and for those in emergency situations rather than a basic human right. Those in need of 'emergency housing' are more likely to be considered as recipients of charity, which stigmatises those in need, positioning the housing shortage as an individual problem rather than a social problem. Placing social housing on the market for CHPs positions these housing providers in competition for funding from the Ministry of Social Development. As seen with charter schools, the privatisation of state-run institutions does not create more opportunities, but instead a situation where private providers must prove their efficiency in order to receive funding. This will lead to potential cuts and the diminishing quality of housing.

Why is the demolition of state housing bad idea?

State houses were initially built on the premise that housing is a basic human right; therefore, affordable, quality housing should be made available to all New Zealanders, regardless of their income. State housing was originally built for and made accessible to everyone. State housing enabled a security of tenure for those who were unable to buy on the private market. Although many aspects of the original state housing policy (such as affordability, quality and accessibility) have diminished over time, security of tenure ('homes for life') has remained a fundamental aspect of state housing tenancies until the most recent reforms implemented in April 2014.

Since the 1990s state housing has been focused on providing housing for those who are unable to engage in the paid workforce. This includes those who are elderly, disabled, and sole parents. In other words, state housing's more recent aim is to support the most vulnerable in our society. However, recent changes mean that people who are on low incomes or benefits are now being pushed into the private rental market. This is problematic for long term beneficiaries, since their low income and unemployment status makes them less desirable to private landlords as tenants than those in the paid workforce. This is a particular issue in urban centres already facing an affordability crisis and where the competitive nature of rental housing will make it difficult to secure tenancies on the private rental market.

Who are the people living in state housing?

Those living in state housing are a diverse group of people. Some are the families of returning WW2 soldiers that were promised secure tenancy for life and for generations to come. As previously mentioned, after the 1990s state houses were reserved for those who were considered to be facing the most 'serious housing need'. The majority of tenancy agreements signed after this period are those in society who have the greatest housing need, including sole parents, the elderly or disabled.

How much do current state tenants pay for rent?

Those who are also receiving benefits such as the Domestic Purposes Benefit (DPB), Pensioners or Sickness benefits are most likely to be paying Income Related Rent. However, those who are engaging in the paid labour market are generally paying market rent. Against the dominant discourse in Aotearoa/NZ society, state housing tenants pay a significant amount of rent, rent which in this low wage economy is a struggle to sustain.

Where do state housing tenants move to after being evicted?

This depends on the circumstances; those who are no longer considered to be in 'serious housing need' will be forced to find accommodation on the competitive private housing market. Those who are eligible for a state house will be moved or will remain under a new contract. Those who are evicted and removed from their communities will be displaced from their community networks, places of work, schools and services.

If state housing tenants are evicted from their homes due to redevelopment projects such as the 'Tāmaki Regeneration Project' they may still be eligible to remain in a state house. In this case residents will be most likely transferred to wherever there are vacant state houses available. This does not necessarily mean tenants will be relocated within their community. This is especially the case in communities such as Tāmaki where the land values have increased significantly since the state houses were built, and there are potential profits to be made from the sale of this land. As a result, state housing tenants are likely to be moved to the city's periphery where land values are lower.

How does displacement of people affect on their everyday life and health?

Displacement will affect tenants' wellbeing as they face the removal from friends, family, social support and community networks, which can be distressing for anyone, but especially for elderly residents. Children may also be required to move schools and lose friends and support network in the process. The stress caused by eviction and displacement has already led to the death of elderly tenants.

How does demolishing state housing have anything to do with those who don't live in state housing?

State housing is mostly beneficial to those on the private rental market rather than those that own their homes. Having publicly owned state housing stock can help with housing affordability, as state houses can keep neighbourhood rents down, and prevent a particular neighbourhood from becoming gentrified. A more equal society, where all people are housed, is better for the economy. It ensures that the costs associated with inequality – such as health issues – are reduced and that the housing market is affordable.

Why doesn't the Government build more homes like back in the day and expand state housing instead of shrinking it?

Ideology. The current Government is influenced by a neoliberal agenda which prioritises profit over people and private investors over community. Building new state houses would cost the Government money rather than producing a profit. Minister of Housing Nick Smith has said that the estimated cost of Reviewable Tenancies is \$46.8 million dollars over the next two years. The money put towards demolishing the current housing stock, privatising it and extending Income Related Rent could be distributed towards fixing and maintaining the current housing stock and building more homes for those in need.

With thanks to Renee Gordon and Vanessa Cole for collating this text.

Images Courtesy of SHAC.