

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

An Assessment of the Income Allocation, Living Standards,
Housing and Living Circumstances of Low Income
Households in the Auckland Region in 1998

A thesis submitted in partial fulfilment of the
requirements for the degree of
Master of Arts (Social Sciences)
in
Social Policy
at Massey University, Albany, New Zealand.

Johnson Emmanuel Nsiah
1999

Abstract

This thesis addresses one important area of social policy; that is, housing which is broadened to include the income allocation and living standards of low income households in the Auckland region. The study used three focus group discussions with five to seven participants from specific groups of low income households in the cities of Manukau and North Shore to focus ideas and viewpoints. Twelve participants (eight from Manukau City, three from North Shore City and one from Auckland City) took part in interviews, which took between 60 and 90 minutes to complete. These participants represented five single parent and three superannuitant beneficiary households and four low income-working non-beneficiary households who supplemented their low income with supplementary payments from Work and Income New Zealand and Inland Revenue Department. Both the group fora and the interviews were recorded on audiotapes and transcribed.

The study used the following measures to ascertain the living standards and quality of life of the 12 households studied: income and expenditure approach, relative deprivation approaches, disadvantage indicators and social exclusion, money problem indicators, housing needs or difficulties and qualitative research approach. It was found that most of the 12 households studied:

- had experienced poverty, hardships and a reduction in their standard of living and quality of life as compared to the average New Zealand household.
- were not adequately housed because of the difficulties of housing affordability and unacceptable housing maintenance by Housing New Zealand. Whilst the Accommodation Supplement was assisting most of the 12 households studied to pay housing costs, 11 of the 12 households who were State House tenants had great difficulty in paying market rents.
- were unable to manage their money problems and had to rely on coping strategies such as the use of foodbanks, food vouchers and second hand goods.

The findings of this thesis are a powerful indictment on the Income Support, Market Rent and Accommodation Supplement policies of New Zealand Governments from 1991 to 1998. These policies have clearly abandoned 'participation and belonging' as the underlying principle of social policy.

Acknowledgements

This thesis could not have been completed without the guidance and assistance of several people, groups and organisations whose contributions are gratefully acknowledged.

I am particularly grateful to my supervisors Dr. William Low and Dr. Jocelyn Quinnell both of whom have directed the thesis and commented in detail on the various stages of the research process and made many helpful suggestions. I greatly appreciate their valuable advice and encouragement. My thanks also go to Professor Ian Shirley for critical review of the final draft. In addition, I have benefited from advice on various issues from Dr. Mike O'Brien, Neil Lunt, Tafa Mulitalo, Peter Mataira, Alan Johnson and Emma MacDonald.

My thanks are due to the Massey University Graduate Research Fund and the School of Policy Studies and Social Work for providing funds and equipment that made travel, data collection and transcribing possible. Particular thanks is extended to Todd Brackley of the Student Learning Centre for assistance in building a Microsoft Word template for the thesis and for spending many hours on the presentation and layout of the material.

A special thank you to Sister Anne Hurley, Sister Margaret Mary, Sister Joan and Mr. Percy Alison, who as gatekeepers, willingly co-operated with the researcher and made it possible for me to gain access to the sample population and the setting. I am also very much indebted to Sisters Anne and Joan and participants from 22 low income households in the cities of Auckland, Manukau and North Shore, for giving their time and energy and for their valuable input in the focus group discussions and interviews for the pilot and main studies.

Special appreciation is acknowledged, also, to my wife Emma and children Kwasi, Kwabena and Akua for being so supportive of this academic endeavour. I am equally grateful to my friends, both in New Zealand and overseas for their support and encouragement throughout.

Table of Contents

Chapter One	1
Introduction	
1.1 Background to the Study	3
1.1.1 The Social Based Rented Housing Market in New Zealand 1935-1990	3
1.1.2 The Free Market View of Housing in New Zealand 1990-1998	4
1.1.3 The Decline of the Welfare State in New Zealand 1984-1998	6
1.2 The Objectives of the Study	8
1.3 Importance of the Study	8
1.4 Definition of Important Terms	9
1.5 Summary of the Findings	10
1.6 Structure and Focus of Inquiry of Thesis	10
Chapter Two	13
Review of the Literature	
2.1 Standard of Living and Quality of Life	13
2.1.1 Income and Expenditure Approach	14
2.1.2 Relative Deprivation Approach	15
2.1.3 Relative Deprivation: Consensual Approach	15
2.1.4 Level of Living Approach: Scandinavia	16
2.1.5 Quality of Life Approach	16
2.1.6 Basic Needs (Necessities) or Absolute Approach	17
2.1.7 Related Findings	19
2.2 Income Allocation	24
2.2.1 Related Findings	25
2.3 Housing Issues	31
2.3.1 Definition of Housing Concepts	31
2.3.2 Related Findings	33
2.4 Summary	39
Chapter Three	41
Methodology	
3.1 Research Design	41
3.1.1 Quantitative and Qualitative Methodologies in Social Research	41
3.1.2 Characteristics of Qualitative Research	42
3.1.3 Provisions for Trustworthiness	46
3.2 Research Methods	47
3.2.1 The Researcher's Role	47
3.2.2 Ethical Considerations	48
3.2.3 Focus Group Discussions and Pilot Study	51
3.2.4 Methods of Data Collection	52
3.2.5 Data Analysis	52
3.3 Dissemination	55

Chapter Four	56
Assessing the Living Standards of Low Income Households in Auckland	
4.1 Social Profiles of Participants and Households	56
4.2 Measures of Living Standards	69
4.2.1 Income and Financial Situation	69
4.2.2 Material Living Standards	75
4.2.3 Level of Disadvantage and 'Social Exclusion'	79
4.3 Summary	87
Chapter Five	89
Income Allocation and the Money Problems of Low Income Households in Auckland	
5.1 Income Allocation	90
5.1.1 Household Budgeting	90
5.1.2 Income and Expenditure Patterns	91
5.2 Money Problems and Coping Strategies	98
5.2.1 Lack of Food	100
5.2.2 Rent Arrears	103
5.2.3 Car or a Major Home Appliance Breakdowns	105
5.2.4 Lack of Household Items	109
5.2.5 Lack of Luxuries	112
5.2.6 Other Money Problems	113
5.3 Summary	114
Chapter Six	116
Assessing Housing Experiences of Low Income Households in Auckland	
6.1 Rental Housing	117
6.1.1 Renting from Housing New Zealand Limited	117
6.1.2 State and Private Renting: Advantages and Disadvantages	121
6.2 The Kiwi Dream of Owning a Home	124
6.3 Housing Policy Issues 1990-1998	129
6.3.1 Market Rents for State Housing	130
6.3.2 Accommodation Supplement	134
6.3.4 Housing Needs or Difficulties	139
6.4 Summary	143
Chapter Seven	145
Conclusion	
7.1 Summary of the Study	145
7.2 Implications of the Findings	148
7.2.1 Implications for Other Researchers and Limitations of the Study	148
7.2.2 Implications for Policy and Practice	152
7.3 Suggestions for Further Research	154
7.4 Recommendations	155
Postscript	156
Appendix 1	159
Real Value of Government Housing Assistance (adjusted using March 1996 CPI)	
Appendix 2	160
Benefit Rates: 1 April 1998	

Appendix 3	162
Information Sheet and Consent Form	
Appendix 4	165
Plan for the Research Project: Protocols	
Appendix 5	167
Questionnaire to Complete Prior to Interview	
Appendix 6	173
Interview Schedule	
Bibliography	179

Chapter One

Introduction

The purpose of this study is to further understanding about the experiences, feelings and expectations of specific groups of low income households with regard to their housing and living circumstances, their allocation of income, and the coping strategies they used to live on a low income in Auckland. My interest has been spurred by my own personal experiences, which is outlined in Chapter 3, as well as by the literature on the housing and living circumstances of beneficiary and low income-working households.

Crothers (1991, 1993a), Jamieson (1998), Robins (1996) and Townsend (1979) have addressed issues affecting the standard of living and quality of life of specific groups of low income households by starting from an academic theory of poverty or tool of measurement. For instance Townsend (1979: 250) developed a 'deprivation index' which listed a number of common activities. The underlying assumption was that a lack of participation in these activities provided a measure of poverty. Few studies have attempted to explore issues of standard of living and quality of life from the perspectives of low income households themselves with regard to issues such as household items and social exclusion. The only exceptions have been the studies by List, Hubbard and Dolan (1992) in Palmerston North, and Mack and Lansley (1985) in Britain. In establishing a minimum standard of living that everyone is entitled to enjoy, Mack and Lansley's (1985: 46) study aimed to exclude their "own personal value judgements by taking the consensual judgement of society at large about people's needs".

Several studies that have looked at the issue of income allocation as part of their research in New Zealand have shown that low income households adopt various strategies to cope on a low income (Crothers 1993a, Dann and Du Plessis 1992, Duncan, Kerekere and Malaulau 1996, Gunby 1996, List et al. 1992 and Milne 1998). However far less is known about what low income households spend their money on, and how they cope in situations such as rent arrears, or if a car or home appliance breaks down.

Since 1993 the main housing issue identified by most housing research in New Zealand has been that of housing affordability, whether private rental, State rental or owner occupation. The main measure of housing affordability used by most of these studies is the Outgoings-to-Income ratio (OTI), the percentage of cash income spent on rent or mortgage. Austin, Hucken and Lunday (1996) and Milne (1998) used both OTI and Residual Income - household income remaining after paying rent, board or mortgage. In addition to these two measures Austin et al. (1996) used poverty thresholds, however in policy terms New Zealand has no agreed poverty line. Factors other than cash income by which low income households try to meet their needs, such as household size and type and other forms of support also need to be explored. This thesis also explores housing issues that have impacted on the housing and living circumstances of specific groups of low income households in Auckland.

While most of the studies in Chapter 2 are quantitative, that is, dollars and cents based, this study will be exploring experiences of living on low incomes through qualitative research. It is hoped that this qualitative study using both focus groups and in depth interviews will complement the growing body of research on the allocation of income and housing issues, by focusing on standard of living and quality of life.

1.1 Background to the Study

New Zealand, a pioneer in social policy since 1898, has developed an advanced Welfare State: "a society in which the [S]tate intervenes within the processes of economic reproduction and distribution to reallocate life chances between individuals and/or classes" (Pierson 1991: 7). This section considers the following social policy issues and their impact on low income households: the social based rented housing market in New Zealand 1935-1990, the free market view of housing in New Zealand 1990-1998 and the decline of the Welfare State in New Zealand 1984-1998.

1.1.1 The Social Based Rented Housing Market in New Zealand 1935-1990

Housing was an important social right in New Zealand during the period 1935 and 1990. The term 'social rented housing' was used by Harloe (1988, cited in Murphy and Kearns 1994: 623) to refer to that form of housing provision whereby: "(a) rent is not principally determined by profit considerations, (b) allocation procedures are based on administratively designed concepts of need, and (c) there is extensive government control over the sector".

Adequate housing is basic to human development in society. Without adequate housing, the objectives of equality of opportunity, independence, security and greater participation in society cannot possibly be achieved. The first Labour government (1935 to 1949) introduced a comprehensive State housing programme which established taxpayer provided State rental units which could be offered to low income New Zealanders, who would otherwise have been unable to afford quality housing. Sell (1997) in the *New Zealand Herald* noted that the first State house in New Zealand was opened by Prime Minister Michael Joseph Savage on 18 September 1937 at Miramar in Wellington. Successive Governments since then saw fit to continue this programme of State provided housing and between 1984 and 1990 the Labour Government built 17,000 new houses and maintained income-related rents

(Kelly 1998). Income related rents meant that most State house tenants on low incomes paid a set 25 per cent of their income in rent. In 1991, the rental stock of the Housing Corporation of New Zealand (HCNZ) was 69,928 (HCNZ 1991: 5).

In addition to the above rental units, other mechanisms were developed by New Zealand Governments to deliver quality housing to those who were unable to house themselves. Housing assistance provided by the State included subsidised mortgages, the provision of emergency and community housing at very low rents, and low interest finance for local authorities to establish their own housing programme which often catered for the elderly. Social rented housing as defined above by Harloe can be used to refer to the State provided rental programme that was in place in New Zealand between 1935 and 1990.

What used to drive housing policy was the idea of social equity - the idea that low income families, the elderly, beneficiaries, should have access to sound, adequate housing. In this way, the wealth of society, the good things that come with prosperity, were to be distributed, if not evenly, then with a fairness or equity. (Catholic Commission for Justice and Peace 1997: 12)

The election of the National government in 1990, however, led to a shift from social rented housing to market rents for State houses.

1.1.2 The Free Market View of Housing in New Zealand 1990-1998

Neo-Liberalism is a philosophy which tends to place emphasis on free markets, choice and competition, individual rather than collective responsibility and private charity rather than state provision of welfare. The Neo-Liberal or New Right ideology of New Zealand Governments since 1990 has relied on the free market to provide the housing needs of all New Zealanders.

In a freely operating market, housing shortages in the economic sense would not persist, because any excess demand that might arise would be met in the short term by a rise in house prices and rents which would choke off the excess demand and restore equality between supply and demand. ... Excess demand would be eliminated but not social need. A serious objection to allowing the market to operate in this way is that it is the least affluent who

would suffer the effect of shortages and be forced into overcrowded conditions paying higher rents than they could afford. (Lansley 1979: 24-25)

After the housing policy reforms were introduced in 1990-1991, State houses were steadily moved from income related to market based rentals, with housing assistance supplied through the Accommodation Supplement being paid by the Department of Social Welfare. Market Rent policy has resulted in many State house tenants paying a very high proportion of their income in rent, with little money left for other essential items such as food, power and clothing. Studies by Gunby (1996) and Te Puni Kokiri (1998a) have shown that private and State rental increases are becoming unaffordable with tenants now paying more than 25 per cent of their income in rent.

International experience has shown that the introduction of a housing allowance can induce rent increases (Howenstine 1986 and Harloe 1985, cited in Murphy 1997). In this context it has been argued that as landlords become aware of the existence of a housing allowance, they factor this into their rent setting procedures and the housing allowance becomes exposed to what has been termed 'landlord capture' (Murphy and Kearns 1994; Roberts 1992). The Accommodation Supplement, a housing allowance introduced as part of the 1990-1991 housing reforms has become a mechanism for supporting the commercial viability of the State and private rental providers.

Prior to the 1990-1991 housing reforms, the State housing system offered tenants considerable security. This meant that:

the state was not interested in selling the house to make a capital gain. If they were sold in order to update stock, the tenant would be rehoused. Provided that tenants paid their rent and looked after the property, they had tenure for as long as they required it. (Roberts 1995: 110)

The sale of State houses is not being matched by an equal number of new rental buildings. Housing New Zealand had sold 6000 houses between 1 July 1992 and mid 1998 at market prices, bringing the Government stock down to 62,500 (Kelly 1998).

A market approach to housing in New Zealand since 1990 does not address adequately the needs of people on low income, and marginalised groups such as Maori, *Tagata Pasifika* and other ethnic minority groups. "In the American and British markets, decreasing the government's role has not led to better housing. There have been increasing shortages and declining standards" (Roberts 1988). The effects of the free market view of housing on specific groups of low income households can clearly be seen in Auckland.

1.1.3 The Decline of the Welfare State in New Zealand 1984-1998

The present study must be seen within the framework of the general political, social and economic conditions that have prevailed both in New Zealand and internationally. For most of the period from 1945, that is, after the end of the Second World War, the ideas of social democracy contributed the notion of a citizen's right to social services in maintaining a person's equality of status as a member of the community. Social democracy places emphasis on social and economic rights, such as the right to work, the right to adequate health care, housing and education. These were the rights which underpinned the Welfare State but economic and social policy reforms since 1984 have reduced the New Zealand Welfare State to a minimal or residualist Welfare State. Similar changes have occurred in other advanced capitalist nations such as Australia, Britain and the United States. Gough (1989, cited in Shirley 1990) describes such nations as the 'Reluctant Welfare States' in that they have largely avoided unconditional social rights by separating economic and social policy and by treating welfare as an adjunct to the market economy. In these Reluctant Welfare States, State Benefit levels are low and designed to provide minimal coverage. Many services are means-tested, punitive, and aimed at deterring 'undeserving' applicants (Shirley 1990).

The National and Coalition Governments 1990-1998 continued the Neo-Liberal economic theory applied by the Labour Government from 1984 to 1990. The main elements of economic policy were market liberalisation and free trade, a narrow monetarist policy and a deregulated labour market. In the

December 1990 "Statement of Economic and Social Initiative" (Bolger et al. 1991), the National Government expressed concern about the low-growth levels in the New Zealand economy, high interest rates, inflation and unemployment. A 'stiff medicine' of wage restraint and measures 'to arrest the drift from work to welfare' was prescribed with more user pays in health, housing and education. The statement contained four principles, - fairness, self-reliance, efficiency and personal choice, - a major shift from previous principles such as those expressed by the 1972 Royal Commission on Social Security and the 1988 Royal Commission on Social Policy. These had stressed "belonging and participation" as the basis of welfare. Belgrave (1996) in the *New Zealand Herald* noted that "The current welfare state in New Zealand has become heavily targeted and returned to its nineteenth century value of individual self reliance and the moral disciplining of poverty". The reforms of the Welfare State in New Zealand after 1990 had moved the balance between targeted and universal Benefits sharply in favour of more targeting.

The influence of the Neo-Liberal ideology of the National Government challenged the ability of the State to pay for the extension of social citizenship rights and indeed these Benefits were diminished through the 1980s and 1990s. For example, as a result of the market driven social policy reforms introduced by the National Government since 1990, Maori and *Tagata Pasifika*, and beneficiaries have suffered most from reductions in Income Support Benefits in the order of 2.9 and 24.7 per cent in 1991 (Cheyne et al. 1997), rising unemployment and the introduction of the Market Rent policy for state house rentals.

Social Policy changes since 1984 have widened inequality and increased poverty in New Zealand (Economist 1994, Kelly 1998, Podder and Chatterjee 1998, Statistics New Zealand 1999, Te Puni Kokiri 1998a). McEneaney (1998) in the *New Zealand Herald* featured a story about the conditions endured by a solo mother in Auckland who was left with between \$60 to \$80 a fortnight for food and other necessities for herself and her 12-year-old son, after paying rent, power and debt repayments from a failed business. Reports from budget

advisors and community workers indicate that such conditions afflict families every day. The *New Zealand Herald's* (1998) editorial noted that "No one who cherishes an equitable society could find that acceptable".

1.2 The Objectives of the Study

The primary objectives of this study are to ascertain the experiences, feelings, and expectations of specific groups of low income households in Auckland with regard to their income allocation, their living standards, their housing and living circumstances and the coping strategies they used to live on a low income. The specific objectives are to:

- describe the standard of living and quality of life of groups of low income households in Auckland with regard to their disposable household income and to ascertain whether there was evidence of material deprivation and if so what disadvantage indicators existed and whether these factors led to social exclusion.
- describe how they allocate their income and cope or manage in situations such as when faced with budgeting problems, rent arrears, a car or a major home appliance breakdown, lack of food and acquisition of household items.
- find out their experiences, feelings, and expectations with regard to the following housing issues: the advantages and disadvantages of rented housing provided either by the State or private sector; their aspirations with regard to the Kiwi dream of owning a home; and three aspects of the current Government's housing policy namely Market Rents for State housing, the Accommodation Supplement policy and housing needs or difficulties.

1.3 Importance of the Study

The findings of this study will be useful to the following:

- organisations such as emergency housing agencies, Housing New Zealand (HNZ) and Work and Income New Zealand (WINZ), as it will describe the experiences of specific groups of low income households in Auckland with these organisations and of how the response of these organisations might be improved.

- HNZ and WINZ so that they may better plan, research and develop policies to improve the housing and living circumstances of specific groups of low income households in Auckland.
- political parties by providing evidence to show whether the Market Rent policy has disadvantaged specific groups of low income households in Auckland.
- other urban centres in New Zealand such as Wellington and Christchurch where rent and house prices are similarly high, to alert them to the down side of such rental pricing.
- beneficiaries and low income-working households can share the strategies used by the 12 households studied to cope with living on a low income.

1.4 Definition of Important Terms

Terms central to this study are defined as follows:

- *Auckland/Auckland region/Auckland area*: The geographical area covered by the four City Councils of Auckland, Manukau, North Shore and Waitakere are the focus of this study. Auckland City is one of the seven city and district councils in the Auckland region. This study excludes the districts of Franklin, Papakura and Rodney.
- *Average New Zealand household*: "Middle New Zealand" household with an average (mean) weekly household income of \$710 in 1997-1998 (Statistics New Zealand 1998a). The expenditure patterns of the average New Zealand household are shown in Tables 5.1 to 5.3.
- *Household*: One person who usually resides alone or two or more persons living in the same dwelling and have common board.
- *New Zealand Maori*: The indigenous people of New Zealand who since the post war period migrated from their traditional rural areas of residence to work in Auckland and other urban areas.
- *Specific groups of low income households*: WINZ beneficiaries (single parent and superannuitant households) and low income-working households involved in the study.
- *State Housing*: Rental houses that are owned and provided by Housing New Zealand Limited to low income people throughout the country.
- *Tagata Pasifika* - Pacific Island peoples and cultures such as Samoans, Tongans, Fijians, Cook Island Maori, Tokelauan, Niuean, Tuvaluan who immigrated to New Zealand since the 1950s.

1.5 Summary of the Findings

The study used the following measures to ascertain the living standards and quality of life of the 12 households studied: income and expenditure approach, relative deprivation approaches, disadvantage indicators and social exclusion, money problem indicators, housing needs or difficulties and qualitative research approach. It was found that most of 12 households studied:

- had experienced poverty, hardships and a reduction in their standard of living and quality of life as compared to the average New Zealand household.
- were not adequately housed because of the difficulties of housing affordability and unacceptable housing maintenance by Housing New Zealand. Whilst the Accommodation Supplement was assisting most of the 12 households studied to pay housing costs, 11 of the 12 households who were State House tenants had great difficulty in paying market rents.
- were unable to manage their money problems and had to rely on coping strategies such as the use of foodbanks, food vouchers and second hand goods.

The findings of this thesis are a powerful indictment on the Income Support, Market Rent and Accommodation Supplement policies of New Zealand Governments from 1991 to 1998. These policies have clearly abandoned 'participation and belonging' as the underlying principle of social policy

1.6 Structure and Focus of Inquiry of Thesis

Chapter 1 is the introduction and anticipates the contents of the thesis. This chapter begins with a statement of the problem, and discusses background information to the study. The objectives and importance of the study, definition of important terms, summary of the findings, and the structure and focus of inquiry of the thesis are then discussed. Chapter 2 reviews the national and overseas literature on standard of living and quality of life, and income allocation as well as related housing research in New Zealand. Chapter 3 covers the methodology of the research, describes the research

design and the research methods used in the study. A research study as defined by Creswell (1994: 51) is "one that advances a research question and reports data to answer the question". Questions that are addressed in this study (Appendix 6) are described and analysed in Chapters 4 to 6. Chapter 4 describes the social profile, standard of living and quality of life of specific groups of low income households involved in the study. Three main questions are addressed in this chapter, through a qualitative study of twelve households:

- what household items should all New Zealanders have in order to maintain a minimum standard of living?
- how has the standard of living and quality of life of these 12 low income households changed over the last five years?
- which disadvantage indicators apply to these 12 low income households in Auckland?

Chapter 5 examines how our sample in Auckland allocates income, the kind of positions they find themselves in as a result, and what it means for them to live on a low income. Two main questions addressed in this chapter are:

- what do their income and expenditure reveal about their standard of living and quality of life?
- what coping strategies do our participants employ when faced with budgeting problems, rent arrears, breakdown of a car or a major home appliance, lack of food, lack of household items and lack of luxuries?

Chapter 6 addresses questions related to housing issues of great concern to specific groups of low income households in Auckland such as:

- their experiences, feelings and expectations with regard to the adequacy of housing
- the advantages and disadvantages of rented housing either State or privately provided
- their aspirations about the Kiwi dream of owning a home, and
- opinions and perceptions of three aspects of the current Government's housing policy namely Market Rents for State housing, the Accommodation Supplement policy and housing needs or difficulties.

Chapter 7 presents the conclusions, and discusses the implications of the study. The first part of this final chapter re-states the objectives of the study, and discusses the findings of the research. The second part draws the implications of the findings for other researchers and for the larger social policy domain. The limitations of the study are also noted in this section. The third part suggests further necessary research while the final part offers some recommendations.

Chapter Two

Review of the Literature

This chapter is a critical review of relevant studies to do with the three objectives of this study. The chapter is divided into four sections. The first section reviews national and overseas literature on the measurement of living standards and quality of life of low income households. Section two looks at literature on income allocation and coping strategies used by low income households. The first part of section three defines the concepts of serious housing need, affordability of housing, overcrowding and homelessness, and adequacy of housing, while the latter part looks at related housing research in New Zealand since 1993 when the housing reforms were implemented. The final section is a summary.

2.1 Standard of Living and Quality of Life

A good standard of living and quality of life generally encompasses economic and social well being. Article 25 of the 1948 United Nations Universal Declaration of Human Rights states that:

Everyone has the right to a standard of living adequate for the health and well being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

These are wide ranging rights, which encompass civil, political, social and economic rights, including the right to social security, to work, to education and to leisure. These rights are largely symbolic as different countries have their own definitions of standard of living and quality of life. Brownlee (1990)

examines some of the different approaches that are used to measure living standards and quality of life in advanced capitalist countries. These include the:

- income and expenditure approach used in many countries, including New Zealand
- relative deprivation approach used by Townsend (1979)
- relative deprivation: consensual approach used by Mack and Lansley (1985) and Frayman (1991)
- level of living approach used in Scandinavia, and
- quality of life approach used in Austria, Australia, Germany, The Netherlands, Scandinavia, Switzerland and the United States.

These approaches as well as a basic needs approach by Sarlo (1992) are briefly defined and explained below. These are followed by a discussion of five related New Zealand studies and one overseas study on standard of living and quality of life.

2.1.1 Income and Expenditure Approach

The income and expenditure approach measures cash income and/or a range of consumption items. Examples of the income approaches are seen in the determination of poverty lines, which are based on income, rather than on expenditure and which as a result do not reveal much about people's actual living standards. According to Statistics New Zealand (1999: 90): "a poverty line tells nothing of the changes in the degree of deprivation by those below it and risks oversimplifying our understanding of poverty". Robins (1996) notes that cash income is only one determinant of standard of living, as this will also be influenced by a range of other considerations such as life-cycle stage, household size, health status and support from family or community.

The consumption items used in the expenditure approach range from basic things such as food, clothing, housing and heating used by Rowntree (cited in Townsend 1979), to way of life indicators such as housing conditions,

expenditure on housing and utilities, furniture, telephone, fridge, car, linen, bedding, and clothing (Bradshaw and Holmes 1989, cited in Brownlee 1990).

2.1.2 Relative Deprivation Approach

In his major study of *Poverty in the United Kingdom* Townsend (1979) argued that poverty should be defined in terms of relative deprivation: that is, the lack of resources for playing the roles, participating in the relationships and following customs expected of members of that society. He broadened the definition of economic resources to include capital assets, the value of employment benefits in kind, the value of public social services in kind and private income in kind, as well as cash income. In his second study Townsend (1987, cited in Brownlee 1990) developed an index of multiple deprivation based on a list of 77 indicators or groups of indicators which reflected different types of deprivation including material and social deprivation. Townsend defined deprivation according to what were supposed to be the living conditions of the majority of the population. Hutton (1989, 1990, cited in Brownlee 1990) used two British national surveys, the Family Expenditure Survey and the General Household Survey to develop indicators of living standards based on Townsend's concept of relative deprivation.

2.1.3 Relative Deprivation: Consensual Approach

Mack and Lansley (1985) used the views of society as a whole to define a minimum acceptable way of life. This relative deprivation: consensual approach differs from previous studies, such as Rowntree and Townsend, which identified minimum standards by a combination of an expert analysis of needs and an examination of actual expenditure patterns. Mack and Lansley sought the views of different groups in the population and of academic experts in order to draw up a list of indicators regarded by the general public as constituting a minimally adequate way of life. They came up with 35 indicators which represented a range of aspects, covering food, heating, consumer durables, clothing, housing conditions, public transport for one's needs, entertainment, leisure activities, holidays, social occasions and

activities. These are items that are paid for by the individual. Mack and Lansley, therefore, limited the *Breadline Britain* survey to those aspects of life that are affected by the level of an individual's cash income.

2.1.4 Level of Living Approach: Scandinavia

Nine resources and way of life indicators as shown in Table 2.1 (page 17), measure the Scandinavian concept of level of living. This approach is used in the Scandinavian countries of Denmark, Finland, Norway and Sweden. The justification for this approach is that "given adequate resources, people will dispose of them wisely for their optimal need satisfaction as autonomous individuals" (Carr-Hill and Lintott 1996: 183). Ringen (1987, cited in Brownlee, 1990) constructed a summary index of accumulated deprivation, consisting of three indicators, (low (cash) income, low personal capability and inferior quality of housing) which he used to measure the proportion of the population in poverty. Brownlee (1990) notes that conclusions about low income from Scandinavian countries do not necessarily apply to countries (like New Zealand) where there is large gap between the rich and the poor. The Australian Institute of Family Studies favours the Scandinavian level of living approach since it

provided the most analytic framework, in that it allows a broad range of indicators of living standards to be developed in terms of 14 spheres of life. These are health, employment, housing, economic resources, transport, education, recreation, the physical environment, security, community services, social and political participation, access to information, family relationships, and personal wellbeing. (Brownlee 1990: 55)

2.1.5 Quality of Life Approach

The quality of life approach measures the satisfaction of people's needs. For instance, in the United States, Campbell, Converse and Rodgers (1976, Campbell 1981, cited in Brownlee 1990) measured the experience of life according to the following 12 domains: four environmental domains - housing, neighbourhood, community, nation; three domains consisting of the 'social geography of role relationships' - work, marriage, family life; and five domains of personal resources - standard of living, education, health,

friendships and self. Within the domain of standard of living, respondents were asked for the levels of their family income, their satisfaction with their standard of living or consumption (housing, car, furniture, recreation) and their satisfaction with savings and insurance. The notion of quality of life is therefore much broader than standard of living.

Table 2.1

Level of living components and typical indicators: Swedish level of living surveys

Component	Typical Indicators
Health and the availability of medical aid	Ability to walk 100 metres without difficulty, to walk stairs and to run 100 metres, feeling of tiredness during last week, various symptoms of pain and illness
Employment and working conditions	Unemployment during the last year, noise and temperature at workplace, monotonous physical work routine.
Economic resources and consumer protection	Income and wealth, ability to come up with \$1000 within a week
Knowledge and education	Years of formal education, level of education received
Family and social relations	Marital status, visits to relatives and friends
Housing and housing area services	Number of household members per room, housing amenities
Recreation	Vacation trips, leisure time pursuits
Security of life and property	Victimisation of violence, damages and thefts
Political resources	Voting in elections, membership in parties and unions, participation in public debate, ability to file formal complaints

Source: Erikson and Uusitalo 1987 cited in Brownlee 1990:33.

2.1.6 Basic Needs (Necessities) or Absolute Approach

Sarlo's (1992) study of poverty in Canada, challenges the approaches that have shifted from an absolute standard to a relative standard when defining and measuring poverty. According to Sarlo (1992: 49):

Someone is in a state of poverty if he lacks any item required to maintain long term physical well being. For able-bodied persons, the list would consist of a nutritious diet, shelter, clothing, personal hygiene needs, health care and transportation and telephone.

Sarlo sees food and housing as the most basic necessities. Thus, for instance, anyone on a low income who cannot meet the cost of food and has to go to a foodbank is poor. Using 1988 first quarter prices, he estimated that the minimum cost of a nutritious diet for a family of four in 1988 was about 3,900 Canadian dollars (Sarlo 1992: 73). Using the Montreal Diet Dispensary (MDD) guideline, he estimated the essential annual housing costs by major city and family size in 1988 dollars (Sarlo 1992: 73). Table 2.2 below is an itemized summary of Canadian average annual cost of "other necessities" by family size.

Table 2.2

Other necessities summary chart 1988 costs by family size (Canadian \$): average annual costs per year.

Category	Size of Family					
	1	2	3	4	5	6
Clothing	245	490	735	980	1225	1470
Transportation	359	359	359	359	359	359
Personal Hygiene	200	400	600	800	1000	1200
<i>Household Needs</i>						
a) Cleaning/Maintenance	155	310	465	620	775	930
b) Telephone	177	177	177	177	177	177
c) Home Furnishings	103	134	170	201	237	269
Totals	1239	1870	2506	3137	3773	4405

Source: Sarlo 1992: 107

Using Sarlo's necessities approach, the sum of the costs of food, housing and other necessities (clothing, transportation, personal hygiene, and household items including telephone, home furnishings and health care), one gains an indication of the minimum income required to purchase all basic needs. The items he excluded from the list are radios, televisions, videos, newspapers, magazines, alcohol, children's toys, books and writing materials. According to Sarlo (1992: 199), "it would be inconsistent to include them in a list of basic

physical necessities, even though for some, there is a strong physical need for them". He estimated that less than two percent of Canada's population has income too low to afford all the basic requirements of living. Sarlo (1992: 2) found that the "official" poverty line in Canada was about twice as high as the costs of basic needs.

A major criticism of five of the above six approaches (except Mack and Lansley 1985) used in measuring living standards is that researchers have set standards or values for the population they are studying which the population may not in fact, hold or accept. To counter this criticism, the Australian Institute of Family Studies set out to examine living standards from the perspective of respondents, rather than that of researchers, by adopting an approach similar to Mack and Lansley (1985), in addition to the Scandinavian level of living approach (Brownlee 1990).

2.1.7 Related Findings

While two studies (Crothers 1991 and 1993a) focused directly on the standard of living of people in the cities of Auckland and Manukau, Jamieson (1998), List et al. (1992) and Robins (1996) studied issues that affected the standard of living and quality of life of people in Christchurch, Palmerston North and New Zealand respectively. These five studies and the *Breadline Britain survey* are discussed in this section.

The *Manukau quality of life survey* (Crothers 1993a) was commissioned by the Manukau the Healthy City Project and carried out in late 1992. The study set out to obtain an overview of the standard of living and quality of life and concerns of the residents of Manukau City. Manukau City Council using their property database provided the sampling frame for the survey. Data was obtained from a simple random sample of 370 households across the suburbs of Mangere, Papatoetoe and Manurewa. Fifty-five per cent of the respondents were European, 11 per cent Maori, 23 per cent *Tagata Pasifika*, and 11 per cent from other ethnic groups. The survey gathered important information on economic hardship, satisfaction and concerns, community, household and

housing, health and food, crime and police. According to the overview report (Crothers 1993a), 39 per cent of the participants were not able to afford things that they consider as being necessities. Items being sacrificed were house repairs and maintenance, clothes (each 22 per cent), car repair or replacement (19 per cent), house appliances, dental work (13 per cent), and furniture etc (12 per cent).

In an earlier *Auckland inner city household standard of living survey* (Crothers (1991) 77 low income households were interviewed on two occasions in April and August 1991. The results of that study revealed that:

Households on benefits or relying on a combination of benefits and wages felt significantly worse off than they had four months ago, and when compared with waged households. They tended to report a deterioration in their financial situation and standard of living.

The main reason for this difference is that the 1991 Benefit cuts affected beneficiaries and not low income earners.

Another study *Budgeting for cuts* in Palmerston North (List *et al.* 1992) looked into the specific effects of the April 1, 1991 Benefit cuts, as well as cuts in other areas of welfare spending, in terms of the social, psychological and material well being of low-income families. Forty-four foodbank clients completed a mail-out questionnaire by 6 January 1992. The questionnaire sought to examine the life changes people had made after the Benefit cuts. 27 subjects were interviewed during the second stage of the research between 20 December 1991 and 20 January 1992. The interviews covered people's feelings in the areas of income, spending, transport, clothing, housing, school costs, hobbies, health and personal relationships. All subjects found that their standard of living had worsened after the Benefit cuts. The quality of life of those who were already struggling for survival was made much bleaker by the Benefit cuts.

In her study *Poverty and hardship in Christchurch* (Jamieson 1998) made use of data collected from 1079 respondents in late 1996 as part of the Christchurch City Council Social Monitoring Programme. Fifty-one community agencies

took part in the study. The study made use of both qualitative and quantitative methodologies, and incorporated surveys, focus group interviews, individual interviews and documentary analysis. The focus of data collection was on the five areas of health, housing, food security issues, welfare issues, and income/employment. The study found that Christchurch did indeed have a significant poverty and hardship problem that impacted on the lives of some groups of residents, two-thirds of whom were beneficiaries and were receiving some form of welfare payments. While 88 per cent of these respondents felt some form of hardship or strain in their lives, some experienced a high degree of strain: 40 per cent of the respondents were experiencing hardship across three or more areas of basic need on the following indicators of hardship:

1. Struggling or never able to pay for accommodation costs.
2. Spending 50 to 80% of income on accommodation costs.
2. In the lowest 50% of income earners in the sample once our equivalence scale was applied.
4. Missed at least one doctor visit in the year preceding survey due to cost.
5. Having a bad or very bad state of health.
6. Being on a welfare benefit for more than two years.
7. Going without meals usually or sometimes due to unaffordability of food.
8. Experiencing financial strain most or all of the time. (Jamieson 1998: 167)

Robins (1996: 190) used the Statistics New Zealand's Household Expenditure and Income Survey (HEIS) to focus on the availability of amenities and found that:

the very high frequencies for telephones, washing machines and vehicle ownership among the middle and high income groups indicate that these are regarded as necessities in "middle New Zealand", so that any household which lacks one of these can be considered to be in a state of relative deprivation. This gives the simple amenities index some validity as a measure of living standard.

Mack and Lansley's work (1985) is based on the London Weekend Television series *Breadline Britain* survey and also on the experiences of the poor themselves. The main aim of the survey was:

to try to discover whether there is a public consensus on what is an unacceptable standard of living for Britain in 1983 and, if there is a consensus, who, if anyone, falls below that standard.

The idea underlying this is that a person is in 'poverty' when their standard of living falls below the minimum deemed necessary by current public opinion. This minimum may cover not only the basic essentials for survival

(such as food) but also access, or otherwise, to participating in society and being able to play a social role. (Mack and Lansley 1985: 50)

The survey was carried out in February 1983 with a sample of 1,174 people which was representative of the adult population of Britain. The sample included a sub-group of about 200 poor households. The first stage of the survey design was qualitative and "tapped the views of different types of people across Britain: people broadly representative of the poor themselves (the low-paid, the unemployed and the elderly and of middle income earners" (Mack and Lansley 1985: 50). Mack and Lansley's survey of the general population sought a consensual view of the 'necessities of life' in current British society. The results of this study and a subsequent one in the 1990s (Frayman 1991) are shown in Table 2.3 (page 23) and include all the items considered necessary by more than 63 per cent of those asked. Mack and Lansley's consensual standards help to identify whether people in such circumstances can and should be identified as poor.

We shall refer to those who are unable to afford three or more necessities as *in poverty*, and we shall refer to those on low incomes who are unable to afford one or two necessities as *on the margins of poverty*. (Mack and Lansley, 1985: 183)

Table 2.3

An index of deprivation

Item	% describing as necessary		% lacking	
	1983	1990	1983	1990
<i>Housing</i>				
Heating	97	97	5	3
Indoor toilet	96	97	2	0
Damp-free home	96	98	7	2
Bath	94	95	2	0
Decent state of home decoration	-	92	-	15
Enough bedrooms for children	77	82	3	7
Self-contained accommodation	79	-	3	-
<i>Food</i>				
Two meals a day for adults	64	90	3	1
Three meals a day for children	82	90	2	0
Fresh fruit, and veg. daily	-	88	-	6
Meat, fish or equivalent veg. every other day	63	77	8	4
<i>Clothing</i>				
Warm waterproof coat	87	91	7	4
Two pairs of all-weather shoes	78	74	9	5
<i>Household goods</i>				
Beds for everyone	94	95	1	1
Refrigerator	77	92	2	1
Carpets	70	78	2	2
Washing machine	67	73	6	4
<i>Financial security</i>				
Insurance	-	88	-	10
Savings of 10 pounds per month	-	68	-	30
<i>Quality of life</i>				
Public transport	88	-	3	-
Toys for children	71	84	2	2
Celebrations on special occasions like Xmas	69	74	4	4
Presents once a year	63	69	5	5
Out-of-school activities	-	69	-	10
Hobby or leisure activity	64	67	7	7

Source: Mack and Lansley (1985) and Frayman (1990) cited in Spicker (1993: 38)

2.2 Income Allocation

In a review of the money problems of the poor in the United Kingdom, which focused on families with children, Ashley noted that:

The money resources and requirements of a family interact and their interaction is affected by the external money environment in which a family spends its money, and by its internal skills at money management. Following the interplay of all four factors, money problems may arise. The family may go into debt or its living standards fall. The personal repercussions on members of the family will vary, but for some they will be significant. (1983: 6)

Ashley (1983: 5) used the flow diagram in Figure 2.1 to illustrate the development of a family's money problems.

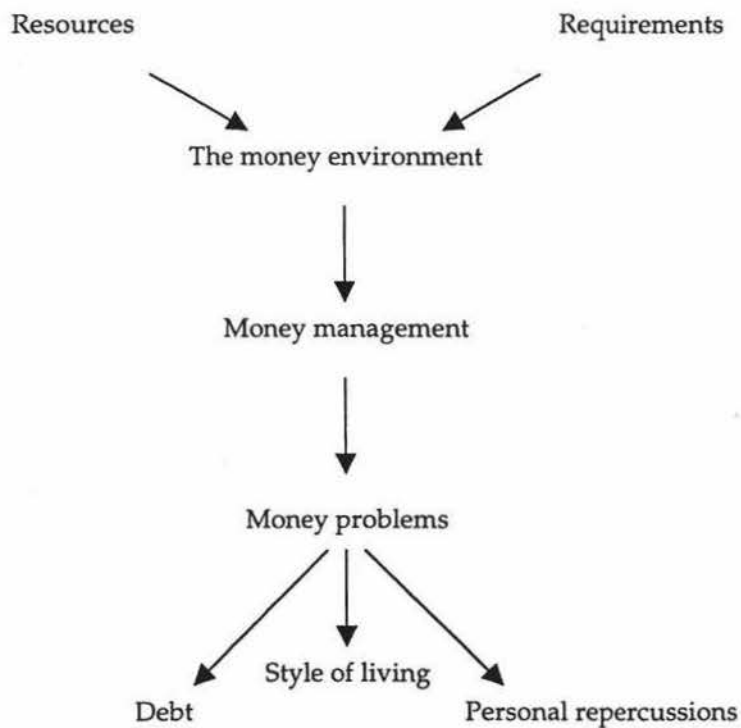


Figure 2.1 The development of money problems

Source: Ashley (1983: 5)

Ashley (1983: 99-100) noted that the goals of budgeting and of coping are quite different. He defines them as:

Budgeting is ... some form of allocating process to ensure that a family retains the liquidity required for day-to-day living, and that income matches expenditure over a longer period. By contrast, coping is a relatively vague and general term covering a wide variety of manoeuvres which at best keep the budget in tolerable balance and at worst just keep crisis at bay. (1983: 99-100)

The use of the term income allocation in this study refers to household budgeting, as well as to the income and expenditure patterns of the 12 low income households studied. Budgeting, as defined by Ashley is one form of income allocation used in this study. The use of the term income allocation in this study is, therefore, different from that used in the Intra Family Income Study (Fleming and Easton 1994; Taiapa 1994; and Pasikale and George 1995) which examined the processes of money allocation within families, and the location of the control of family money.

The Intra Family Income Study involved collecting family case studies in Wellington and other parts of the North Island (excluding Auckland). The focus of the study was not on sources of income and expenditure. The study, however, found that the Pakeha research couples had higher average household incomes than did Maori and Pacific Island couples. Fleming (1997: 149) notes that "The couples on very low incomes were coping only with day-to-day living. They were unable to find the money to maintain their assets, including their homes, their vehicles and even their own health".

2.2.1 Related Findings

Several studies that look at the issue of income allocation as part of their work in New Zealand are discussed in the first part of this section (Crothers 1993a; Dann and Du Plessis 1992, Duncan et al. 1996; Gunby 1996; List et al. 1992; Milne 1998; Robins 1996; and Waldegrave and Stuart 1996). These are followed by Young (1995) which investigated the reasons as to why people seek budget advice and Wilson, Lorgelly and Houghton (1997) which examined the patterns of income and expenditure of low income families.

In *Budgeting for cuts* (List et al. 1992) participants were foodbank clients who visited the Methodist Mission Centre in Palmerston North. Ninety-three per

cent of them were beneficiaries. The majority of these beneficiaries were on the Domestic Purposes Benefit (61 per cent). The losses in income following the 1 April 1991 budget cuts meant that many people had to reorganise their weekly budgets. The results from the questionnaire and interviews showed that:

the areas of spending affected most dramatically by the benefit cuts were food, visits to the doctor, and the few social activities people may have enjoyed before the cuts. The impact of the benefit cuts can also be from the large numbers that have had to sell assets for the first time since April last year.

Dann and Du Plessis's (1992) study *After the cuts* was based on tape recorded interviews and two lunch time meetings conducted between October 1991 and February 1992, with 22 women and one man on the Domestic Purposes Benefit in Christchurch. Nineteen of these participants were Pakeha. The study discussed the impact of the 1991 Benefit cuts on the participants and the survival strategies they used. The Benefit cuts had been just one more difficulty for participants in the study who were already struggling on low incomes. Most of them mentioned that a phone and a car were not luxuries but essential items to them. Most of them also first thought of food when asked to talk about what were luxuries for them. Dann and Du Plessis (1992: 36) found that:

Food was perceived by some as the first place where economies could/should be made, the one discretionary area in the budget, while others preferred to keep other bills in arrears rather than economise too drastically on food. Some had cut down on the quantity eaten, and most had cut down on quality.

In the overview report of the *Manukau quality of life survey* (Crothers 1993a) which was referred to earlier in this chapter, out of a sample of 370 households, only 30 per cent were receiving Government Benefits yet the average income was \$17,000 per annum. This suggests that a large number of the respondents were low income earners. The focus of this study was on the standard of living and quality of life of the residents of Manukau City but there is little information on the patterns of income and expenditure. Respondents were asked how they went about matching their income and

their costs. Many indicated that they were cutting back on expenditure, another 17 per cent mentioned budgeting, and 25 per cent tried to get more income. Some of the expenditure items which the participants had given up included food items by 36 per cent of the respondents; 39 per cent gave up necessities, while 48 per cent and 43 per cent of the respondents put off visits to the dentist and doctor respectively.

The focus of *Gunby (1996)* was on housing the hungry and not on income allocation. The sample in that study were 1,100 foodbank clients (out of which 85 per cent were beneficiaries) who visited 17 of the Salvation Army Community and Family services nationwide. Fourteen of these agencies were located in the North Island and three were from South Island centres. Forty-one per cent of respondents were Pakeha, 39 per cent were New Zealand Maori while 14 per cent were *Tagata Pasifika*. No direct questions were asked on expenditure patterns. However the reasons given by respondents for needing help with food gives some indication as to their expenditure patterns.

The most common reason for needing foodbank help, given by 45.5% of the sample, was that there was no money for food after rent payments were made. Reasons related to shelter (power, gas, phone and removal costs), the welfare system (being denied assistance and being stood down) and essential services (health and education) were also important. (Gunby 1996: 44)

In a study by *Duncan et al. (1996)* involving women on low incomes, 48 women were interviewed in six focus groups in the North Island. Of these women twenty were New Zealand Maori, 15 were New Zealand European/Pakeha, and seven were *Tagata Pasifika* while the remaining six were a mixture of New Zealand European, Maori, *Tagata Pasifika* and Israeli. Duncan et al. defined low income in terms of participants who are eligible for the Community Services Card¹. In describing the income and expenditure patterns of these women, they noted that for 77 per cent of these women, their only source of income was the WINZ Benefit. However, some of these

¹ The Community Services Card gives low income households higher subsidies on prescriptions and visits to the family doctor and free outpatient treatment at public hospitals. Refer to WINZ booklet on the Community Services Card for a detailed information on the incomes described as low income for single persons and families.

beneficiaries were not receiving their full entitlement because of lack of information. "Most said they managed to provide basic necessities on their incomes, but only if there were no emergencies and their expectations were minimal" (Duncan et al. 1996: 3). The coping strategies used by these women included cutting food, borrowing from family, or friends, or using a credit card to manage debt.

According to *Robins* (1996: 194):

Households which rent their homes or whose accommodation costs make up a high share [25% or more] of their total expenditure, and are also reliant on income support, have a substantially reduced capacity to afford to either own or rent (directly, or indirectly along with a dwelling) a range of amenities. This would appear to indicate a reduced standard of living among these particular groups.

Waldegrave and Stuart (1996) carried out a survey of 100 beneficiary households in 1995 in the Wellington region. The study was undertaken to investigate the daily experiences of families living on low incomes. The money problems faced by the beneficiaries interviewed are evident from the following findings:

- 77% had problems paying for food
- 64% stated they went without meals because they could not afford them
- 60% had problems paying housing costs.
- 68% had been unable to pay their power bill by the due date during the last year.
- 59% of households reported going without necessary clothes and shoes.

(*Waldegrave and Stuart* 1996: 17)

The most recent study is that of *Milne* (1998), which is based on two interviews carried out over a period of 18 months with 24 women parenting alone in Auckland most of whom were affected by the restructuring of housing policy. Most of these single parents were on a benefit or partial benefit from Work and Income New Zealand (WINZ). Three women worked full time. *Milne* (1998: 248) found that "the most consistent cause of debt among the women interviewed was the disproportionate amount of income taken by rent which does not leave enough to live on". According to *Milne*, the women dealt with debt and inadequate income by getting help from

family and friends, WINZ, using credit cards, and obtaining Special Needs Grant (refundable loans) from WINZ. While Milne's (1998) is a Pakeha based study, the current study covers specific low income groups such as Pakeha, Maori, *Tagata Pasifika*, and one migrant from Nigeria in West Africa. The present study examines how these groups of people who are beneficiaries and low income earners allocate their income and manage their housing and living circumstances.

Ten church based Budget Advisory Services who participated in the study by Young (1995) were from Auckland (four agencies), Whangarei, Hamilton, Hastings, Napier, Dunedin and Christchurch. Eighty-two per cent of the 189 respondents who took part in the survey were beneficiaries. Forty-five per cent of the respondents were New Zealand European, 42 per cent were New Zealand Maori while eight percent were *Tagata Pasifika*. This survey found that most budgeting clients indicated that lack of income rather than budgeting skill was their primary reason for seeking budget advice. Young (1995: 228) make the point that "when these families make adjustment to their spending it is, in the vast majority of cases, not 'luxuries' that they are giving up or reducing but necessities such as food, heating, accommodation or social interaction". Young (1995: 30) continued:

The survey also shows that employment is not necessarily the solution to beneficiaries financial hardship. The wage earners in this survey also suffered from lack of money and high accommodation costs and problems with debts and bills. Employment does not always guarantee an adequate income.

The effect of budget assistance and debt management strategies on low income families seeking budget advice (Wilson et al. (1997) was based on a national survey in 1996. The findings of the 1996 survey were compared with an earlier survey done in 1995. The clients in both surveys were labelled Groups A, B, C, and D and defined as follows:

Group A: Households with one adult and no children; main income source is a benefit (n=18). Clients in this group ranged from young unemployed adults who live alone to widows and superannuitants who also live alone. They had, as a group,

the lowest average levels of income and expenditure among NZFFBS² clients.

- Group B: Households with one adult plus children; main source is a benefit (n=74). Most clients in this group were receiving the Domestic Purposes Benefit, although a few were receiving other types of benefits. As in 1995, this group is the largest group in the study.
- Group C: Households with two adults who are married or in a de facto relationship plus children; main source of income is benefit (n=21). Most clients in this group were receiving the Unemployment Benefit, although as with Group B, some were on other types of benefits.
- Group D: Households with two adults who are married or in a de facto relationship plus children; main source is wages (n=23). This group had the highest average levels of income and expenditure of all groups identified in the study.

(Wilson et al. 1997: 47-48)

On average the weekly expenditure of the above four client groups in both 1996 and 1995 exceeded their weekly income before receiving budget advice. In order to live within a balanced budget, each client group had adopted one or both of two basic strategies:

- *seeking to increase their income:* Fifty-eight per cent of the increase in beneficiaries' income was due to increased wages, an increase partially offset by a fall in income from Benefits. Group A clients experienced a decrease in income by an average of \$9 so this strategy was not possible for them. However, this strategy was used by Group B clients whose increased income came mainly from other sources such as boarders. Group D clients received wage increases of less than one percent, which was of little help.
- *seeking to reduce their expenditure:* This strategy was used all four client groups. Group A clients decreased their expenditure in all areas, while Group B clients decreased their expenditure in all areas except personal expenditure, which remained relatively unchanged. Groups B and C clients reduced their expenditure mainly on household items and through debt repayment. Wage earners also showed a large reduction in personal expenditure.

² The New Zealand Federation of Family Budgeting Services (NZFFBS) is a federation of 154 independent budget advice services operating throughout New Zealand (Wilson et al. 1997: 1).

2.3 Housing Issues

2.3.1 Definition of Housing Concepts

This section defines four main concepts that affect the housing of low income households.

Serious housing need

Drawing on the National Housing Commission's (1988) work, which carried out a nation-wide survey on serious housing need, O'Dea and Lowe (1991: 157) identified the following main categories of serious housing need:

- Those requiring "emergency housing" because of domestic violence, sexual abuse, homelessness, etc.
- Those facing a "serious affordability" problem, e.g. rent exceeding 50 per cent of income.
- Those coping with "serious overcrowding" or "seriously substandard" accommodation.
- Those experiencing marital breakdown.
- Rural Maori, especially in Northland, the East Coast and the Bay of Plenty.

The National Housing Commission estimated that 17,500 households, which included children, had serious unmet housing needs. Sixty per cent of these households were from Central and Southern Auckland urban areas. The main housing problems faced by these households were overcrowding, and the difficulty of finding and affording private rental accommodation.

Affordability of housing

This section defines the concept of "affordability of housing" and ways of measuring the income of low income households in relation to their housing costs. The term "affordability of housing" is used here to refer to the ability of low income households to afford a house (owned or rented). There are two main measures that are used to access housing affordability:

- **Outgoings-to-Income ratios (OTIs):** OTI is the percentage of total income spent on rent or mortgage. "A household is said to have a housing affordability problem, in most formulations of the term, when it pays more than a certain percentage of its income to obtain adequate

and appropriate housing" (Hulchanski, 1995: 471). Many studies, such as Gunby (1996), Jamieson (1998) and Duncan et al (1996) use the OTI. There is no agreed percentage of household income to determine whether a household can afford a house or not in New Zealand but according to the Royal Commission on Social Policy (1988) and (Roberts 1995) no more than 25 per cent of income should be spent on housing. The Ministry of Housing (1994) set this figure at 50 per cent. According to the Ministry of Housing (1996) the OTI is not a useful measure of housing affordability when comparing households on different incomes, or those on the same income with different numbers of adults and children. "Despite these limitations, the use of OTI seems appropriate when discussing low incomes and the RI (Residual Income) gives reality check showing what amount of money is left to live on" (Milne 1998: 291).

- **Residual Income (RI):** RI is the household income remaining after housing costs. According to the Ministry of Housing (1996: 43) "residual income measures give a better indication of the sustainability of a household's accommodation costs. After adjusting for household size and characteristics, actual residual income can be compared with the amount considered necessary or sufficient to meet other costs".

Overcrowding and homelessness

In New Zealand the official definition of overcrowding stipulates that:

the maximum number of people permitted to sleep in a bedroom of between 12 and 14 square metres is 2.5, where children between one and nine years old count as one-half (no account is taken of a child under one). Children 10 years and over may only share bedrooms provided they are of the same sex ... there must be at least one bathroom and toilet for every seven people in the house.

(The Housing Improvement Regulations of 1947, cited in Statistics New Zealand 1998c: 55).

People who live on the streets are normally said to be homeless but according to King (1996: 33):

A household is defined as homeless not necessarily because of an absolute lack of housing but because their current housing has failed to match a particular standard. Indeed a family sharing with another household, who would otherwise be under-occupying the property, may be defined as statutorily homeless despite the amenities available in the dwelling.

A recent Holmes television programme on poverty in New Zealand in December 1998 showed a number of *Tagata Pasifika* families living in overcrowded conditions in Manukau City. In one instance thirteen people were living in one house. One study, which will be discussed, is that of

Crothers, Kearns and Lindsey (1993) which focused on the problem of overcrowding in Manukau City.

Adequate housing

The Royal Commission on Social Policy (1988, cited in Smithies and Wilson 1993: 103) set out the following criteria for adequate housing:

- affordability (rent payments should be below 25 per cent of total household income)
- acceptable conditions (building soundness, security, maintenance)
- not overcrowded
- secure tenure
- privacy and safety
- accessibility to transport, services and employment
- cultural sensitivity (of the house and neighbourhood)

The current study will find out which of these criteria apply to the households studied.

2.3.2 Related Findings

The relevant housing research are discussed from older (Crothers et al. 1993) to more recent literature (Jamieson 1998, Milne 1998 and Te Puni Kokiri 1998b). *Housing in Manukau City: Overcrowding, poor housing and their consequences* (Crothers et al. 1993) attempted to measure the extent of overcrowding and other aspects of housing stress in the following suburbs: Mangere Centre, Haranui North, Otara North, Otara South, Ferguson, Clover Park and Clendon. One thousand and twenty six people from these suburbs were interviewed between 9 February and 3 March 1992. Sixty percent of respondents rented rather than owned. Of the renters 85 per cent were tenants of Housing Corporation of New Zealand (now Housing New Zealand). The household size ranged from one to 16 with the average being three. Crothers et al. (1993: 39) found that overcrowding was an increasing problem:

there is a 'hard core' of households who are living in housing circumstances which involve severe difficulty: this core appears to be of the order of 1 to 2% of the households surveyed. These include households, which are doubled up, or in dwellings without essential services.

At a more moderate level of housing stress, a figure of 6-8% of households seems to be suffering housing conditions which are distinctly uncomfortable, and this covers both objective and subjective views on housing including dwellings in poor repair, which are damp or where the respondent strongly feels that there is overcrowding.

Fifteen to 25 per cent of households reported a moderate degree of overcrowding.

The focus of the *Manukau quality of life survey* (Crothers 1993b) carried out in late 1992 was on economic hardship with households and housing being one of the six issues covered. Seventy-one per cent of respondents owned their houses (with and without mortgages) with the remaining 29 per cent renting. Fifty-five per cent of those who rented were state tenants. "Although a substantial group (40 per cent) reported no difficulties with housing costs, about a quarter of the respondents reported being in 'major' or 'considerable' financial difficulties in relation to housing costs" (Crothers 1993b).

The extent of serious housing need in New Zealand (Waldegrave and Sawry 1994) surveyed agencies and community groups in Northland, South Auckland, Wellington and Christchurch. They estimated that 40,000 households in 1992 and 48,000 in 1993 were in serious housing need. According to this study the major cause of serious housing need was unaffordability.

Considerably over half the people in serious housing need in 1992 and 1993 were in that predicament because they could not afford to pay their rent. A significant proportion of these were in state houses. 90% of the organisations surveyed reported clients leaving state houses because they could not afford them. This raises serious questions about the impact of the reforms (Waldegrave and Sawry 1994: 1).

Brosnahan, Vera, Munford and Scott (1995) report housing research undertaken in the Takaro ward in the city of Palmerston North. Three hundred and forty eight adults aged 18 years and over from 207 households completed household and personal questionnaires between February and November 1994. Seventy-seven per cent of the sample were European, 14 per cent New Zealand Maori, three per cent *Tagata Pasifika*, and six per cent other and not specified. In addition to these quantitative interviews, twenty qualitative interviews were carried out from March to May 1995. Most people in this

study were well housed. The majority owned their own homes and had few problems. However there was much criticism of the Government's move to market rents and the lack of assistance to allow low income people to own their homes. The following are some of the differences that were found between people who owned and those who rented :

- tenants spending a higher percentage of their income on housing.
 - single parents, Maori and Pacific Islanders are under-represented in terms of home ownership
 - home owners are more satisfied with their accommodation than those renting.
 - tenants had more problems with their dwelling, especially the problems of "costs too much," "repairs" and "too small".
- (Brosnahan et al. 1995: 1-2)

Brosnahan et al. (1995: 2) also found that the following differences existed between State house and private tenants:

- HNZ tenants experienced more problems with their dwelling.
- HNZ tenants had lower incomes.
- cost was a more significant reason for housing choice for HNZ tenants than private tenants.
- there was a higher proportion of single parents, Maori and Pacific Islanders in HNZ houses.

Waldegrave, Stephens and Frater (1995) in the *Most recent findings in the New Zealand Poverty Measurement Project* found that housing was the single largest cause of poverty in New Zealand in 1993 and that 64 per cent of all HNZ tenants lived in poverty.

The study *Women on low incomes* by Duncan et al. (1996) found that increased housing costs was a problem for many women on low incomes. Many of the women stated that they paid between one third and one half of their income on rent or mortgage payments. "Nearly all the women felt that the accommodation supplement was inadequate" (Duncan et al 1996: 23).

In the nation-wide survey of Salvation Army foodbank clients in March 1996, Gunby (1996) on *Housing the hungry: The third report* revealed that 97 per cent of all Housing New Zealand (HNZ) tenants, and 92 per cent of private tenants spent 30 per cent or more of their income on rent. Fifty-nine per cent of HNZ tenants, and 63 per cent of private tenants spent half or more of their income

on accommodation costs. These figures are higher than those for the previous surveys in 1994 and 1995.

Austin et al.'s (1996) is a social impact survey which was undertaken in August and September 1996 by the Western Bays Community Board and the Department of Planning at the University of Auckland with assistance from the Auckland City Council Tenants Action Group. The study analysed the impacts of rent rises, housing sales and the possible relocation of Auckland City Council tenants. Three hundred and eleven tenant households completed questionnaires. Fifty per cent of respondents were New Zealand European, 18 per cent New Zealand Maori and 20 per cent *Tagata Pasifika*. Sixty-five per cent of households had low incomes (with household equivalised incomes of less than \$300 per week). Sixty per cent of households were in receipt of a Pension, Benefit or Student Allowance. The study found that 58 per cent of households spent more than 50 per cent of their net income on rent and 47 per cent had residual incomes of less than \$150 per week. Fifty-three per cent of tenant households had Residual Income that fell below the poverty threshold developed by the New Zealand Poverty Threshold Team. The study concluded: "Rent rises and sales will do considerable damage to the lives of tenants who are more vulnerable because of their low income and limited access to resources".

Popham (1996) studied low income rental accommodation and the impact of the housing reforms in the private rental market in South Auckland, an area she defined as that area south of Panmure including Otahuhu and Onehunga to Bombay. This research project used a combination of qualitative and quantitative methods. She interviewed 15 real estate agents in South Auckland. The second part of the study involved a survey of the Saturday *New Zealand Herald* which was chosen because of the large number of rentals typically advertised on that day. She found that there was inadequate housing in the private rental market to meet the needs of tenants leaving Housing New Zealand, and that this housing was inadequate even to meet the needs of

private tenants paid between 52 per cent and 68 per cent of their income on rent.

Jamieson's (1998) research on *Poverty and hardship in Christchurch* found that 89 per cent of respondents spent 30 per cent or more of their income on accommodation costs. Forty-five per cent spent between 50 and 80 per cent of their income on accommodation costs. Jamieson (1998: 147) notes that "Proportionally, more of those living in Housing New Zealand properties (60 per cent) were paying between 50 and 80 per cent of their income on accommodation costs than were those in private rentals (48 per cent). According to Jamieson these high accommodation costs borne on limited income often pushed people in Christchurch into a state of poverty and hardship.

The main housing issues addressed by *Milne (1998)* were the exploration of the meaning of home, the opportunities and barriers to accessing housing, the failure of housing policies, and the processes involved in developing and implementing those policies in order to meet the needs of a group of women parenting alone in Auckland. She used both the OTI and RI methods to measure housing affordability among single parents in Auckland. Women in her study paid an average of 46 per cent of their income in rent, and there was a greater number of increases in housing costs over the two year period of the study. On the other hand, owner occupiers paid an average of 36 per cent on housing costs and experienced more stability and actual substantial reductions with the lowering of mortgage interest rates. She found that the residual income of single parents in her study in many cases to be totally inadequate to meet other basic costs.

The *Te Puni Kokiri (1998b)* study sought to investigate some of the housing issues Maori face today. A sample of 295 Maori tenants, home owners, service providers, and agencies were interviewed or took part in group discussions between March and June 1998 in Te Puni Kokiri Regional Development Offices in Taitokerau, Tairāwhiti, Counties-Manukau, Auckland, Hamilton,

Rotorua, Tauranga and Whakatane. All are urban centres in the North Island. Three key themes that emerged from this research were desire for home ownership, affordability and lack of information and support. Affordable rental housing was identified as a major housing need in Auckland. Participants in Auckland felt that market rents were too high and, as a result, Maori beneficiaries and low income earners were living on the poverty line. Those on low incomes found the payment of bonds difficult, and were unable to save the deposit needed to achieve home ownership. In South Auckland, affordability was identified by participants as a barrier to home ownership. Most of participants' budgets went on rent and essential costs. Many paid between 60 and 80 per cent of their income on rent, and unexpected costs often used up their savings.

The OTI figures given by Austin et al. (1996), Duncan et al. (1996), Gunby (1996), Jamieson (1998), Milne (1998), Popham (1996) and Te Puni Kokiri (1998b) all exceed the Royal Commission on Social Policy's (RCSP) definition of 25 per cent of income on accommodation as an affordable housing cost (RCSP 1988). Using the Ministry of Housing's 1994 definition, 59 per cent of State house tenants were in serious housing due to unaffordable housing and in 1996 housing consumed more than half of their income (Gunby 1996). Waldegrave and Sawry (1994), Austin et al. (1996), Jamieson (1998) and Te Puni Kokiri (1998b) have also identified serious housing affordability problems.

In measuring affordability of housing of specific groups of households in the present study both OTI and RI methods will be used. While these measures focus mainly on cash income this study will take account of different household sizes and types, and other sources of support by which these households meet their needs.

2.4 Summary

The extent of the research on standard of living and quality of life is commented on by Robins (1996) and Stephens (1988):

Whilst the 1972 Royal Commission on Social Security stated that "we consider it worth while to explore the proposal for determining a standards of living scale as a basis for measuring the adequacy of income-maintenance payments"(p.128), this has not been undertaken (Stephens 1988: 2).

In 1975, the Department of Social Welfare, conjointly with the (then) Department of Statistics, conducted a survey of living standards of people aged 65 years and over from time to time in the intervening years, proposals have been made for a survey of living standards among the broader population. However no such work has yet been carried out. (Robins 1996: 183)

One of the three objectives of this study was to address issues that affect the standard of living and quality of specific low income households in Auckland. This will be done using a number of measures such as the income and expenditure approach; the simple amenities index Mack and Lansley's (1985) consensual approach and (Robins 1996). The aim is not to define poverty or standard of living and quality of life because the sample in this study and the resources available to me do not permit me to do that.

Crothers (1993), Duncan et al. (1996), Gunby (1996), List et al. (1992) and Milne (1998), show that most of the respondents they interviewed were beneficiaries and low income earners with inadequate income, which meant that they had to adopt various strategies to live on a low income. These views were supported by Wilson et al. (1997) and Young (1995) who surveyed clients of the New Zealand Federation of Family Budgeting Services and Church based Budgeting Agencies respectively. The present study will seek to find out the experiences of specific groups of low income households with regard to how they allocate their income, and the coping strategies they use to live on a low income.

The main housing problems identified in the housing research in New Zealand during the past decade has been unaffordability of housing (both owned and rented) by low income households. Housing New Zealand rent

increases continue to be unaffordable. Milne (1998) conducted a very comprehensive study on housing problems facing single parents in Auckland. However, her work did not cover Manukau City and ethnic minorities and the Manukau quality of life survey (Crothers 1993b) was conducted in 1992 before the introduction of the Accommodation Supplement and Market Rent policies in 1993. This current study will examine the housing and living circumstances of specific groups of low income households. These households include both Pakeha and ethnic minority groups in the cities of Auckland, Manukau and North Shore. The methodology of this research will be the focus of the next chapter.

Chapter Three

Methodology

The first section of this chapter discusses the characteristics of qualitative and quantitative methodologies in social research and examines how the framework of the present research is designed and implemented using a qualitative approach. The criteria used to establish the trustworthiness of this research are also discussed in this section. Section two describes the researcher's role, ethical considerations, focus group discussions and the pilot study as well as the methods used in data collection and analysis. Section three examines how the findings of the study will be disseminated.

3.1 Research Design

3.1.1 Quantitative and Qualitative Methodologies in Social Research

Silverman (1993) defines a methodology as "a general approach to studying a research topic. It establishes how one will go about studying any phenomenon". The two major methodologies in social research are quantitative and qualitative. Table 3.1 (page 42) shows that these two methodologies or approaches are fundamentally different both in theory and with regard to the way the data is collected and analysed. "But at bottom, we have to face the fact that numbers and words are both needed if we are to understand the world" (Miles and Huberman 1994: 40).

This study will use a qualitative approach. Background data such as household characteristics and employment status, and ownership of

household items are collected using questionnaires, a method commonly used by quantitative researchers. Some of this data as well as qualitative data is quantified using tables but the study design, data collection and analysis procedures are qualitative. The next section explains the justification for choosing a qualitative approach.

Table 3.1

Perceived differences between quantitative and qualitative methodology

Feature	Quantitative methodology	Qualitative methodology
Nature of reality	Objective; simple; single; tangible sense impressions	Subjective; problematic; holistic; a social construct
Causes and effects	Nomological thinking; cause-effect linkages	Non-deterministic; mutual shaping; no cause-effect linkages
The role of values	Value neutral; value-free inquiry	Normativism; value bound inquiry
Natural and social sciences	Deductive: model of social sciences; nomothetic; based on strict rules	Natural and social sciences are different; inductive; ideographic; no strict rules; interpretations
Methods	Quantitative, mathematical; extensive use of statistics	Qualitative, with less emphasis on statistics; verbal and qualitative analysis
Researcher's role	Rather passive; is the 'knower'; is separate from subject - the known; dualism	Active; 'knower' and 'known' are interactive and inseparable
Generalisations	Inductive generalisations; nomothetic statements	Analytical or conceptual generalisations; time-and-context specific

Source: Sarantakos (1993: 53)

3.1.2 Characteristics of Qualitative Research

The research questions for this study as outlined in Chapter 1 and Appendix 6 are best suited to a qualitative research approach. Design in qualitative research "means planning for certain broad contingencies without, however, indicating exactly what will be done in relation to each" (Lincoln and Guba 1985). Maykut and Morehouse (1994) outlined eight characteristics of

qualitative research of a framework for designing and implementing a qualitative research study. This section addresses how this study meets or embodies these eight characteristics of qualitative research.

An exploratory and descriptive focus.

Qualitative research is designed to discover what can be learned about some phenomenon of interest, particularly social phenomena where people are the participants (or as traditionally referred to - *subjects*). The social phenomena being investigated in this study are income allocation, living standards and housing issues. The participants involved in the present study are low income households in the Auckland region. Qualitative researchers are interested in investigating and responding to exploratory and descriptive questions such as those outlined in Chapter 1 and Appendix 6. The outcome of this qualitative study is not the generalisation of results, but rather the gaining of a deeper understanding of experience from the perspectives of the participants selected for this study.

Emergent design

An emergent research design means that data collection and data analysis are simultaneous and ongoing activities which allow for important understandings to be discovered along the way and then pursued in additional data collection. In an emergent design, not all the specifics of a study can be outlined in advance. In qualitative research with non-emergent designs, the researcher's focus of inquiry is pursued using qualitative methods of data collection and data analysis, but the data is collected, then analysed. The research design for this qualitative study was emergent and followed the framework developed by Lincoln and Guba (1985). This means that I began with an initial focus of inquiry and an initial sample, refined my focus of inquiry and sampling strategy as I engaged in an ongoing process of data collection and analysis.

A purposive sample

In this qualitative research, participants and low income households are carefully selected for inclusion, based on the possibility that each participant will expand the variability of the sample. Purposive sampling increases the likelihood that the variability inherent in any social phenomenon will be represented in the data in contrast to random sampling which tries to achieve variation solely through the use of random selection and large sample size. For example to know more about the experiences, feelings and expectations of low income households in Auckland with regard to their income allocation, living standards, housing and living circumstances, the purposeful sampling method was used to select a small sample frame of 22 individuals and families identified as low income in the cities of Auckland, Manukau, and North Shore. Initial contact with these households was made through two religious Sisters of the Catholic Church, a Sister of Mercy and through a representative of the Poverty Action Combined Beneficiaries Coalition in order to obtain a list of low income households from those they deal with in their work. Sixteen low income households were therefore purposefully selected to take part in three focus group fora. Twelve low income households who gave their consent (signing and returning a consent form) were interviewed in depth at their homes. Seven of these households had participated in the focus group fora. The composition of the sample itself evolved over the course of the study.

Data collection in the natural setting

The natural setting is the place where the qualitative researcher is most likely to discover, or uncover, what is to be known about the phenomenon of interest. Personal meaning is tied into context. For example to understand more about the experiences and feelings of specific groups of low income households with regard to their income allocation, living standards, housing and living circumstances, I went to their houses in the cities of Auckland, Manukau and North Shore to interview them. Thus, data were collected on the premises of participants. The homes of participants were the best places

for interviews because they gave me the opportunity to see what their living circumstances were. I supplemented what they said with what I observed. Participants were also comfortable in their own homes.

Emphasis on 'human-as-instrument'

The researcher plays a key role in the qualitative research process. The qualitative researcher is the collector of relevant data, data whose relevance changes as the study proceeds, and is also the culler of meaning from the data collected from in depth interviews which is most often in the form of people's words and actions. Other formal instruments such as focus group discussions and questionnaires were also included in this qualitative study.

Qualitative methods of data collection

The most useful ways of collecting qualitative data are participant observation, in depth interviews, group interviews, and the collection of relevant documents. Other primary sources of qualitative data include photographs and video-taped observation. Interview data in this study is collected by the qualitative researcher in the form of field notes and audiotaped interviews, which are later transcribed for use in data analysis.

Early and ongoing inductive data analysis

Qualitative data analysis is an ongoing research activity and is primarily inductive. The data suggests the broadening or narrowing of the focus of inquiry. The researcher does not predetermine what is important. Within the broad boundaries of the researcher's focus of inquiry the data is studied for that which is meaningful to the participants in the study, or as Bogdan and Biklen (1992: 32) refer to as 'participant perspectives'. The goal of this research is to better understand the experiences of low income households in the Auckland region with regard to their income allocation, living standards, housing and living circumstances. The findings of this study are reported in the form of quotations from the data used to illustrate and substantiate the presentation.

A case study approach to reporting research outcomes

The results of qualitative research are most effectively presented within a rich narrative, sometimes referred to as a case study. The number of cases varies with each study, from one case to several. The qualitative researcher has an opportunity to provide many excerpts from the actual data which allows the participants to speak for themselves - in word or action - thereby giving the reader sufficient information to understand the research outcomes. Report of this qualitative research in Chapters 4 to 6 is characterised by rich description and provides the reader with enough information to determine whether the findings of the study might also possibly apply to other low income households in other urban centres in New Zealand.

3.1.3 Provisions for Trustworthiness

So that the findings of this study would reflect the true state of the human experience of the income allocation, living standards, housing and living circumstances of specific groups of low income households in Auckland, two criteria suggested by Lincoln and Guba (1985) to establish the trustworthiness of qualitative data were used: credibility, and transferability. Credibility refers to confidence in the truth of data. Peer examination is one technique that was used to provide an external check on the inquiry process. An informal peer review of the final draft was done. A further way of ensuring internal validity is the clarification of researcher bias, which is commented on in the section on the researcher's role.

Transferability refers to the extent to which the findings of data can be transferred to other groups or settings. By providing sufficient descriptive data in the research report, it is hoped that readers will be able to evaluate the applicability of the data with regard to other contexts:

Thus the naturalist cannot specify the external validity of an inquiry; he or she can provide only the thick description necessary to enable someone interested in making a transfer to reach a conclusion about whether transfer can be contemplated as a possibility (Lincoln and Guba, 1985: 316).

Data collection and analysis strategies which are described in the next section will be covered in detail in order to provide a clear and accurate picture of the methods used in this study.

3.2 Research Methods

This section describes the role of the researcher, ethical considerations, focus group discussions and the pilot study, and the procedures used in data collection and analysis.

3.2.1 The Researcher's Role

Particularly in qualitative research, the role of the researcher as the primary data collection instrument necessitates the identification of personal values, assumptions and biases at the outset of the study. However the investigator's contribution to the research setting is regarded as useful and positive rather than detrimental (Locke et al. 1987, cited in Creswell 1994).

My perceptions of housing issues in Auckland have been shaped by my own personal experiences. Since January 1996, I have lived in the Auckland area with my wife and children at four different locations: in the cities of Auckland and North Shore in both private and State rental accommodation. I have therefore experienced the effects of high rents myself as a member of a low-income household receiving a student allowance in 1997 and 1998, being an immigrant, and coming from an ethnic minority. We had lived in a State House for over two years in unsanitary conditions (dampness and mould in the bedrooms) which were never repaired. And even though we sent a doctor's report to Housing New Zealand on the need to transfer us to another house, this was not done for eight months so we had to vacate that house and are currently living in a private house. As a social policy student since 1997, I have completed several major analytic pieces of work for seminars on housing policy in New Zealand. This has made me more knowledgeable about housing policy issues in New Zealand.

Due to my own previous experiences, I bring certain biases to this study. While I have done my very best to ensure objectivity these personal biases may well have shaped the way I have understood the data I collected and the way I interpreted the experiences of participants in this study. I began this study with the perspective that housing is a major issue for specific groups of low income households and housing workers in Auckland. Though the expectations of the low income households in Auckland to be adequately housed are similar to those of the average New Zealand household, these groups are disadvantaged in the sense that most of them are not well educated, many are unemployed, they either receive a WINZ Benefit or earn low wages, and are accepting of their present predicament. Further, it is not part of their culture to protest to Government about its housing policy.

3.2.2 Ethical Considerations

When human beings are used as subjects in scientific investigations - as they usually are in social research - great care must be exercised in ensuring that the rights of those persons are protected. According to Bouma (1996: 197) the major ethical issues for social scientists centre around:

- gaining an appropriate form of informed consent
- respecting individual privacy and confidentiality
- being aware of the power dimension of the relationship between the researcher and the subject of research and
- ensuring that the research procedures are adequate to answer the questions being asked.

All these ethical issues were addressed during each stage of the research process, from the conceptual phase to dissemination. Permission for this study were sought from gatekeepers, participants and from Massey University Ethics and Inter-Ethnic committees. These are now considered in turn.

Gatekeepers

Permission was sought from the following people to enable me to gain access to the sample population and the setting, that is, the locations where the group forum and interviews would take place:

- A Sister of Mercy at Wiri in Manukau City who has lived in that area for over ten years and has worked for Friendship House, an emergency housing agency in the area.
- A religious Sister of the Catholic Church who is in charge of De Paul house, the only emergency housing agency in North Shore City.
- A religious Sister of the Catholic Church who has close working contact with low income households in Mt. Roskill, Auckland City.
- A representative from the Poverty Action Combined Beneficiaries Coalition, Glenfield, North Shore City.

These four gatekeepers who represent organisations that provide a variety of social and advisory services to low income households in their communities, provided me with the names and addresses of potential participants.

Participants

The unit of contact and analysis in this study was that of specific groups of low income households who were currently living in private accommodation (rented or owned) or state rental housing. This section describes the type of households who took part in the focus group discussions, the pilot and the main studies. Information on where and when these meetings and interviews took place are also provided.

- *The three focus group fora were conducted, comprising:*
 - (a) Seven participants (one Iraqi household renting privately, two Tongan and four Samoan households in State housing) all of whom are ex-residents of De Paul house. These participants attended the first focus group discussion at De Paul House, Northcote, North Shore City on 11 August 1998.
 - (b) Five participants (one New Zealand Maori household, two Samoan households and two Nigerians in one household) all of whom were renting from Housing New Zealand (HNZ), and who attended the second focus group discussion at Wiri community centre, Manukau City on 20 August 1998.

(c) Five participants (one New Zealand Maori and four New Zealand European/Pakeha households) all of whom were State house tenants and took part in the third focus group forum in the house of one participant at Birkenhead, North Shore City on 27 August 1998.

- The *pilot study* involved one Tongan household in their home at Wiri, Manukau City on 11 September 1998. This household had moved to a new house built by Habitat for Humanity (Habitat) three months prior to the pilot interview. And before moving to this new house, they had lived in a HNZ house for five years. Habitat is an international charitable Christian organisation which has as its ultimate goal the complete elimination of sub-standard housing. According to Habitat for Humanity (1999), Habitat is able to build houses for families with desperate housing needs through donations of money and building materials from churches and firms.

Habitat works with people in 63 countries around the world and has built more than 70,000 houses to date. Families are selected on the basis of need and their preparedness to put their own efforts into building their new home – the families – are expected to contribute 500 hours of “sweat equity”. The houses are then sold to the families on a no-profit, no-interest basis with affordable payments. (Habitat for Humanity 1999)

- The *main study*, involving 12 participants who were interviewed, were from the following households: Five Samoans (in Wiri, Manukau City), three New Zealand Maori (two in Wiri, Manukau City and one in Birkenhead, North Shore City), three New Zealand European/Pakeha (one in Auckland City and two in Birkenhead, North Shore City) and one Nigerian (in Wiri, Manukau City). This is a cross-sectional study which means that participants were interviewed during one contact. Interviews were undertaken between 29 September and 13 November 1998. With the exception of one participant who lived in her own house and was paying a mortgage, all of the remaining eleven participants were State house tenants.

Participants were informed verbally and in writing about the aim of the study, how the data would be used, what would be asked of them, and the time commitment involved in the focus group forum and interview. Each was reassured of their right to withdraw, and guaranteed confidentiality. Copies of the information sheet and the consent form (Appendix 3) were sent with the questionnaires to each participant. These measures helped to identify the researcher and to secure the co-operation of the participants. The forms on Informed Consent explained the voluntary nature of participation after being presented with a full explanation as to the nature of, and reasons for, the research. Before being approached to take part in an interview, participants' approval was sought through their signing of a consent form. Each

participant signed one copy of the informed consent form for the researcher, and retained one copy. Each of the 12 participants in the main study and one participant in the pilot study were given pseudonyms which are used in the analysis and discussion of the study in Chapters 4 to 6.

Massey University Ethics Committee

Approval of the Massey University Ethics Committee was obtained before I was granted permission to undertake the study in order to ensure that I conformed with the requirements of the Massey University Code of Ethical Conduct for Research and Teaching involving Human Subjects (1994).

Massey University Inter-Ethnic Research Committee

Since participants of this study were from different cultural and economic backgrounds from the researcher, appropriate rapport with them was gained in accordance with the protocols of Massey University's Inter-Ethnic Research Committee (Appendix 4).

3.2.3 Focus Group Discussions and Pilot Study

The three focus group discussions helped me to find out what the participants perceived as being the issues of concern to them, especially with regard to issues of standard of living and quality of life, allocation of income and housing. The first focus forum was moderated by both the researcher and a gatekeeper and only the second part of this group interview was audiotaped. The questions used in this group discussion were unstructured. The second and third group interviews were moderated by the researcher and were audiotaped. These group interviews involved a semi-structured interview schedule format, which consisted of a detailed set of open-ended questions and a set of associated prompts, which were broadly related to the focus of inquiry. The information and ideas that were generated through these group interviews provided the researcher with important research issues and questions to pursue in the pilot and main studies. All aspects of the main study especially the interview schedule and procedures were piloted. The

purpose of the pilot study was to detect any problems so that they could be remedied before the study proper was carried out. This audiotaped pilot study helped determine the relevance of the research questions and the appropriateness of the vocabulary used.

3.2.4 Methods of Data Collection

The following steps were taken in obtaining data:

Questionnaires (Appendix 5) were used to collect information on household and employment characteristics and on the availability of household items in each of the households. These questionnaires were completed before the interviews.

In depth interviewing which "provides the greatest opportunity to find out what someone thinks or feels, and how they react to various issues and situations" (Bouma 1996: 178) was the main source of data collection in the study. The final face-to-face interview schedule was developed from that used for the focus groups and pilot interviews. The interviews were conducted by myself using the interview schedule (Appendix 6) and followed the protocols as set out in Appendix 4. The in depth interviews took between 60 and 90 minutes to complete and were guided by the interview schedule which listed key questions to be asked and topics to be covered in the interview. Information from the interviews was recorded on audiotapes. One audiotape was used for each interview with the 12 participants. The audiotapes were used only with the consent of the participants. The interviews were then transcribed by myself and an experienced transcriber as soon as the interviews were completed.

3.2.5 Data Analysis

Strauss and Corbin (1990) describe three approaches to analysing qualitative data. These vary along a continuum ranging from a low level of interpretation and abstraction engaged in by the researcher, to a high level of interpretation and abstraction required for theory building. The first approach is one where

the researcher collects the data and presents it without any analysis. "The researcher's scholarly obligation is to hear and report, somewhat akin to a journalist" (Strauss and Corbin 1990: 21). The goal is to allow the research participants to speak for themselves as much as possible and to tell their stories without interpretation. The second approach is one that requires some selection and interpretation of the data. "Many researchers develop great skill in weaving descriptions, speakers' words, fieldnote quotations, and their own interpretations into a rich and believable descriptive narrative" (Strauss and Corbin 1990: 22). The third approach is that of the development of theory, which requires the highest level of interpretation and abstraction from the data in order to arrive at organising concepts and tenets of a theory to explain the phenomenon of interest. An example of this approach is the notion of grounded theory by Glaser and Strauss (1967) which is "inductively derived from the study of the phenomenon it represents" (Strauss and Corbin 1990: 23).

The approach to data analysis in this study is that of Strauss and Corbin's second approach termed "interpretive-descriptive" by Belenky (1992, cited in Maykut and Morehouse 1994: 123). The main aim of this approach is description but it also recognises that some interpretation is necessarily involved in the process and in selecting the research outcomes, which will be reported.

Preliminary analysis was carried out during the data collection in order to pull out any concepts and themes that described the world of the participants. This helped in deciding which areas should be examined in more detail with the remaining participants. More detailed analysis was then made after all the participants had been interviewed and the taped interviews were transcribed verbatim. Transcripts were checked against the tapes. Backup copies of all the transcripts were kept on floppy disks and on the hard drive of my personal computer.

The interview transcripts were prepared for analysis by photocopying all data and then identifying "chunks of meaning" (Marshall 1981, cited in Maykut and Morehouse 1994: 128) or units of meaning. The chunks or units of meaning were the responses of participants to the research questions asked. Some of the units of meaning were in a few paragraphs while others were longer and covered one or two pages. Each unit of meaning was cut and taped onto 5" x 8" index cards. There were 20 index cards in all. Information from these cards was summarised onto two large sheets of paper for each of the 12 households studied. This data and information from the weekly budgets and questionnaire responses were used to generate the following categories:

- 4.1 Social Profiles of participants and households
- 4.2 Measures of living standards
- 5.1 Income allocation
- 5.2 Money problems and coping strategies
- 6.1 Rental housing
- 6.2 The Kiwi dream of owning a home
- 6.3 Housing Policy Issues 1990-1998

With the exception of categories 4.1 and 6.2, the remaining five had sub-categories.

The method that was used to analyse the data is known as the constant comparative method developed by Glaser and Strauss (1967):

This is a non-mathematical procedure designed to identify themes and patterns in qualitative data. The research findings of this type of analysis can then be presented in the form of propositions summarising the salient themes within individual lives and across individuals' lives. (Lincoln and Guba 1985, cited in Maykut and Morehouse 1994: 176)

3.3 Dissemination

Polit and Hungler (1995) have observed that the researcher's work is not complete until the results of the study are disseminated. Copies of the research report that summarises the findings of this study will be distributed to gatekeepers and to participants. The findings of this study will be owned by both myself, that is, Intellectual Property Rights, and by Massey University since they provided me with funding for the research, which is carried out in partial fulfilment of the requirements for a Massey University Masters degree. The School of Policy Studies and Social Work and the University as a whole will be given copies of the completed thesis. Copies will be kept at the University's libraries. The findings will also be shared at seminars with other students at the University.

The research findings may also be used in the following ways:

- to help solve a housing policy or social policy problem by housing agencies who are working hard to improve the lot of specific groups of low income households with limited budgets. The political impact of the study is, however, likely to be limited unless the current minority-led National government changes its New Right ideology.
- to serve as one input among many in discussions on housing policy area.
- to generate further research on topics such as adequacy of housing, standard of living and quality of life and allocation of income by low income households in the Auckland region and New Zealand as a whole.
- to disseminate knowledge, raise issues and further questions in this area through journals, books, or other media such as conferences, video and video tapes. Any publications would be dependent on the cost and ethical issues involved.

Chapter Four

Assessing the Living Standards of Low Income Households in Auckland

Some people think that the solo people are taking the money for light and stuff. But they don't really know how hard it is with the money. And not being able, you know, to have what other people have. (Monica, household I, a single parent of three children)

The first part of this chapter looks at the social profiles of participants and households involved in the study. The format uses boxes to summarise and present the profiles of participants and households. Each box contains background information on which to base an analysis of the housing, living circumstances and experiences of a sample of 12 low income households in the Auckland area. The second part of the chapter considers three measures: income and financial situation; material living standards; level of disadvantage indicators and 'social exclusion'. These form the basis from which to assess the living standards of the 12 low income households.

4.1 Social Profiles of Participants and Households

The 12 low income households involved in this study are a diverse group who span a range of ages, ethnic backgrounds and family circumstances. This sample comprises eight beneficiaries and four low income-working households. Boxes are used to outline the characteristics of each participant and household. Participant characteristics include pseudonyms, gender, age, number of children, position in the household, employment status and ethnicity. Household characteristics include the size, type of household,

tenure, income group, total household income, costs, and percentages of total income spent on rent. Boxes 4.1 to 4.12 describe the characteristics of the participants and their households. With the exception of household A which contained two family units, the remaining eleven households were single family units. The latter is defined as a single adult person living alone, a single adult parent living with dependent children, or a couple (adults) living with dependent children. Dependent children are all children aged under 25. The family unit corresponds to the unit that is assessed for a main Benefit and all other supplementary payments such as Family Support and Accommodation Supplement. Eleven of 12 households have Community Services Cards, which are provided to assist low income groups with their health costs. The remaining household had not applied for a Community Services Card at the time of interview.

Since this study is primarily concerned with housing, living circumstances and the experiences of low income groups, the concept of income which is most relevant is disposable income, that income which is left after taxes have been deducted. All income shown in boxes 4.1 to 4.12 relate to the family unit and consist of the main weekly Benefit or weekly wage and supplementary weekly payments. In addition to this income three households received board money; one from a 20-year-old son (household K), a brother (household H), and a second family (household A), respectively. I have arranged the presentation of the data in boxes 4.1 to 4.12, the rest of this chapter and Chapters 5 and 6 according to batches of four low income-working households (Boxes 4.1 to 4.4), three superannuitant households (Boxes 4.5 to 4.7) and single parent households (Boxes 4.8 to 4.12).

Box 4.1**Profile of Household A****Characteristics of participant:**

Name:	Laura
Gender:	Female
Age:	30-34
Children:	Five (three aged under 10 and two between 10 and 15)
Position in the household:	Mother (home executive)
Employment status:	Unemployed for the birth of her second child 11 years ago
Ethnicity:	New Zealand Maori

Characteristics of household:

Household size:	13 (four adults aged 25 and over, and nine children aged under 25)
Household type:	Extended family (whanau)
Housing tenure:	State house tenant
Low income group:	Low income-working household. Not entitled to Accommodation Supplement. Income is supplemented with Family Support from the State. Participant and partner have Community Services Cards.
Total household income:	\$717 per week
Weekly Housing costs (rent):	\$235 per week in a three-bedroom house (Manukau City)
Income after housing costs:	\$482 per week
Total income on housing:	Rent is 33 per cent of total weekly household income.

Box 4.2**Profile of Household B****Characteristics of participant:**

Name:	Michelle
Gender:	Female
Age:	35-39
Children:	Three (two aged under 10 and one 13 year old)
Position in the household:	Mother
Employment status:	Unemployed for three and a half years and is currently a full time mum.
Ethnicity:	Samoan (<i>Tagata Pasifika</i>)

Characteristics of household:

Household size:	Five (two adults aged 25 and over, and three children aged under 15)
Household type:	Couple with children
Housing tenure:	State house tenant
Low income group:	Low income-working household. Not applied for the Accommodation Supplement and Community Services Card. Income is supplemented with Family Support from the State.
Total household income:	\$745 per week
Housing costs (rent):	\$240 per week in a three-bedroom house (Manukau City)
Income after housing costs:	\$505 per week
Total income on housing:	Rent is 32 per cent of total weekly household income.

Box 4.3**Profile of Household C****Characteristics of participant:**

Name:	Linda
Gender:	Female
Age:	35-39
Children:	Four (two aged under 10 and two between 10 and 20)
Position in the household:	Mother
Employment status:	Employed on a permanent full time contract (in an unskilled manual job).
Ethnicity:	Samoan (<i>Tagata Pasifika</i>)

Characteristics of household:

Household size:	Six (two adults aged 25 and over, and four children aged under 20)
Household type:	Couple with children
Housing tenure:	State house tenant
Low income group:	Participant is a low income earner for household. Income is supplemented with the Accommodation Supplement, Family Support, and husband's Invalid Benefit from the State.
Total household income:	\$577 per week
Housing costs (rent):	\$230 per week in a three-bedroom house (Manukau City)
Income after housing costs:	\$347 per week
Total income on housing:	Rent is 40 per cent of total weekly household income.

Box 4.4**Profile of Household D****Characteristics of participant:**

Name:	Joyce
Gender:	Female
Age:	30-34
Child:	One (aged under one year)
Position in the household:	Mother
Employment status:	Unemployed 11 months ago since she arrived in New Zealand. She lost her last job in Nigeria when she came to New Zealand with her husband.
Ethnicity:	Nigerian (African)

Characteristics of household:

Household size:	Three (two adults aged 25 and over, and one child aged under one year)
Household type:	Couple with children
Housing tenure:	State house tenant
Low income group:	Low income-working household (Participant's husband receives weekly wage of \$320). Income is supplemented with the Accommodation Supplement and Family Support from the State. Two adults have Community Services Card.
Total household income:	\$467 per week
Housing costs (rent):	\$170 per week in a two-bedroom house (Manukau City)
Income after housing costs:	\$298 per week
Total income on housing:	Rent is 36 per cent of total weekly household income.

Box 4.5

Profile of Household E

Characteristics of participant:

Name:	Sylvia
Gender:	Female
Age:	35-39
Children:	Two (aged between 10 and 20)
Position in the household:	Mother (housewife)
Employment status:	Unemployed. Left last job eight years ago when husband had a stroke.
Ethnicity:	Samoan (<i>Tagata Pasifika</i>)

Characteristics of household:

Household size:	Four (two adults aged 25 and over, and two children aged under 20)
Household type:	Couple with children
Housing tenure:	Home owner with mortgage
Low income group:	Superannuitant household (Participant's husband receives National Superannuation and Invalid's Benefit). Income is supplemented with the Accommodation Supplement and Family Support from the State. Two adults have Community Services Card
Total household income:	\$478 per week
Housing costs:	\$151 per week (consisting of \$136 mortgage in a three-bedroom house, and \$15 land rates) – Manukau City
Income after housing costs:	\$342 per week
Total income on housing:	Mortgage and land rates are 32 per cent of total weekly household income.

Box 4.6**Profile of Household F****Characteristics of participant:**

Name:	Henry
Gender:	Male
Age:	62
Children:	None
Position in the household:	Not applicable
Employment status:	Recently been employed as real estate salesman. Prior to this, he was made redundant in his last job
Ethnicity:	New Zealand European (Pakeha)

Characteristics of household:

Household size:	One (aged 62)
Household type:	Single person living alone
Housing tenure:	State house tenant
Low income group:	Superannuitant household (Beneficiary receives a Special Transitional Benefit). Income is supplemented with Medical Benefit and the Accommodation Supplement from the State. Participant has a Community Services Card.
Total household income:	\$300 per week
Housing costs (rent):	\$210 per week in a two-bedroom house (North Shore City)
Income after housing costs:	\$90 per week
Total income on housing:	Rent is 70 per cent of total weekly household income.

Box 4.7

Profile of Household G

Characteristics of participant:

Name:	Philippa
Gender:	Female
Age:	69
Children:	None
Position in the household:	Not applicable
Employment status:	Unemployed. Was farming until husband had a stroke 16 years ago.
Ethnicity:	New Zealand Maori

Characteristics of household:

Household size:	One (aged 69)
Household type:	Single person living alone (widowed since July 1998)
Housing tenure:	State house tenant
Low income group:	Superannuitant household (Beneficiary receives National Superannuation and Special Benefit). Income is supplemented with the Accommodation Supplement. Participant has a Community Services Card.
Total household income:	\$325 per week
Housing costs (rent):	\$220 per week in a two-bedroom house (North Shore City)
Income after housing costs:	\$105 per week
Total income on housing:	Rent is 67 per cent of total weekly household income.

Box 4.8 Profile of Household H

Characteristics of participant:

Name:	Lisa
Gender:	Female
Age:	30-34
Children:	Five (aged under 25)
Position in the household:	Mother
Employment status:	Unemployed 15 years ago when she had to look after her son
Ethnicity:	New Zealand Maori

Characteristics of household:

Household size:	Seven (two adults: Lisa and brother aged 25 and over, and five children aged under 25)
Household type:	Single parent living with family
Housing tenure:	State house tenant
Low income group:	Beneficiary (Receives Domestic Purposes Benefit). Income is supplemented with the Accommodation Supplement and Family Support from the State and board from brother. Participant has a Community Services Card.
Total household income:	\$479 per week
Income after housing costs:	\$239 per week in a three-bedroom house (Manukau City)
Total income on housing:	Rent is 50 per cent of total weekly household income

Box 4.9

Profile of Household I

Characteristics of participant:

Name:	Monica
Gender:	Female
Age:	25-29
Children:	Three (aged under 25)
Position in the household	Mother
Employment status:	Unemployed for 6 years, when she had to move to another city.
Ethnicity:	Samoan (<i>Tagata Pasifika</i>)

Characteristics of household:

Household size:	Four (one adult aged 25 and over, and three children aged under 10)
Household type:	Single parent family
Housing tenure:	State house tenant
Low income group:	Beneficiary (Receives Domestic Purposes Benefit). Income is supplemented with the Accommodation Supplement and Family Support from the State. Has a Community Services Card.
Total household income:	\$383 per week
Housing costs (rent):	\$210 per week in a three-bedroom house (Manukau City)
Income after housing costs:	\$173 per week
Total income on housing:	Rent is 55 per cent of total weekly household income.

Box 4.10 Profile of Household J

Characteristics of participant:

Name:	Rebecca
Gender:	Female
Age:	25-29
Children:	Two (aged under 15)
Position in the household:	Mother
Employment status:	Unemployed. Left last job five years ago for not getting paid fairly. (Was not getting paid for working overtime)
Ethnicity:	Samoan (<i>Tagata Pasifika</i>)

Characteristics of household:

Household size:	Three (one adult aged 25 and over, and two children aged 4 and 11)
Household type:	Single parent family
Housing tenure:	State house tenant
Low income group:	Beneficiary (Receives Domestic Purposes Benefit). Income supplemented with the Accommodation Supplement and Family Support from the State. Adult has a Community Services Card.
Total household income:	\$337 per week
Housing costs (rent):	\$185 per week in a two-bedroom house (Manukau City)
Income after housing costs:	\$152 per week
Total income on housing:	Rent is 55 per cent of total weekly household income.

Box 4.11**Profile of Household K****Characteristics of participant:**

Name:	Georgina
Gender:	Female
Age:	55-59
Children:	One (aged 20)
Position in the household:	Mother
Employment status:	Unemployed 21 years ago when married. Her last job was in a factory.
Ethnicity:	New Zealand European (Pakeha)

Characteristics of household:

Household size:	Two (one adult aged 25 and over, and one son aged 20 years old)
Household type:	Single parent living with son.
Housing tenure:	State house tenant
Low income group:	Beneficiary is on a Widow's Benefit. Income is supplemented with the Accommodation Supplement from the State, and board from son. Participant has a Community Services Card.
Total household income:	\$331 per week
Housing costs (rent):	\$210 per week in a two-bedroom house (North Shore City)
Income after housing costs:	\$121 per week
Total income on housing:	Rent is 63 per cent of total weekly household income.

Box 4.12 Profile of Household L

Characteristics of participant:

Name:	Amanda
Gender:	Female
Age:	30-34
Children:	Four (three aged under 10 and one aged 13)
Position in the household:	Mother
Employment status:	Unemployed 4 years ago when she became pregnant with her second child.
Ethnicity:	New Zealand European (Pakeha)

Characteristics of household:

Household size:	Five (one adult aged 25 and over, and four children aged 13 and under)
Household type:	Single parent living with family
Housing tenure:	State house tenant
Low income group:	Beneficiary (Receives Domestic Purposes Benefit). Income is supplemented with the Accommodation Supplement and Family Support from the State. Adult has a Community Services Card.
Total household income:	\$437 per week
Housing costs (rent):	\$195 per week in a two-bedroom house (Auckland City)
Income after housing costs:	\$242 per week
Total income on housing:	Rent is 45 per cent of total weekly household income.

4.2 Measures of Living Standards

4.2.1 Income and Financial Situation

The first part of this section examines the levels of household disposable income received by all 12 households between September and November 1998 during the time of the interview. The income of these households will be compared with the average (mean) weekly income of the New Zealand household in 1997-1998 using Statistics New Zealand's (1998a) Household Economic Survey which was based on information collected from a sample of

2,876 households over the period 1 April 1997 to 31 March 1998. The second part describes the experiences of participants and their households with regard to their income and financial situation in 1998 and for the previous five years.

The weekly household disposable income for all 12 households involved in the study ranged from \$300 to \$745 (Table 4.1, page 71). Ten of the 12 households had disposable income falling below the average (mean) weekly household income of \$710 in 1997-1998 for the average New Zealand household (Table 4.1; Statistics New Zealand 1998a). While the average weekly household income for the four low income earning households (A to D) was \$627 (88 per cent of the average weekly household income in 1997-98), that of the eight beneficiary households (E to L) was \$384 (54 per cent of the average weekly household income in 1997-98). The average weekly income of the low income earning households was higher than that of the beneficiary households but it must be noted that the basic weekly wages (excluding supplementary benefits and board money) for household A and B were \$432 and \$580 respectively. These basic weekly wages and that of households C and D (\$325 and \$320 respectively) were not sufficient to meet their basic needs so the additional amounts are income received from the State, mainly Family Support and an Accommodation Supplement, in order to supplement their low wages.

The size of the household also needs to be taken into account when looking at household income. The household sizes of 9 of the 12 households were above 2.8 people, the average number of people per New Zealand household at the time of the 1996 census (Statistics New Zealand 1998c). Households A, C, H and L are large families with four or more dependent children who spend more on food than the other eight households. Box 4.13 (page 71) shows the basic weekly food costs in 1998 in Wellington. It is most likely that the weekly food costs in Wellington are cheaper than those of Auckland because Wellington is nearer large food production areas.

Table 4.1

Weekly income and housing affordability for households in this study and the average New Zealand household

Household	Household size	Weekly household disposable income ¹ \$	Weekly housing costs \$	Outgoings-to-Income ratio (OTI) %	Residual Income (RI) \$
A	13	717	235	33	482
B	5	745	240	32	505
C	6	577	230	40	347
D	3	467	180	36	298
E	4	478	151	32	327
F	1	300	210	70	90
G	1	325	220	67	105
H	7	479	240	50	239
I	4	383	210	55	173
J	3	337	190	55	152
K	2	331	210	63	121
L	5	437	195	45	242
Average New Zealand household	2.8	710 ²	128	18	582

¹ non-equivalent disposable income

² calculated from the average annual before tax income of \$49,225 in 1997-98 from Household Economic Survey for the year ended 1998 using the Inland Revenue 1998 income tax and return guide.

Source: Compiled from questionnaires and interviews with participants in 1998 and Statistics New Zealand (1998a, 1998d)

Box 4.13 Basic weekly food costs in Wellington

Man	\$45
Woman	\$43
Adolescent	\$58 (boy)
	\$48 (girl)
Child 10 years	\$38
Child 5 years	\$25

Source: Department of Human Nutrition, Otago University,
cited in Kelly (1998).

Household disposable income has been used in Table 4.1 to illustrate housing costs, the percentage of household income involved and residual household income. Household disposable income, however, does not tell us about the standard of living, which the different household types involved in this study

experience. The Jensen equivalence scale (Jensen 1988) has been used to adjust household disposable income in Table 4.1 by taking account of the different household sizes. Establishing household equivalency with regard to disposable income makes it possible for the different sizes of the 12 households to be compared as illustrated below in Table 4.2. Scollay and St. John (1997) note that:

The use of equivalent income gives a better picture of standard of living than disposable income because households on the same income may have different numbers of members to share income among. There are economies of scale in living in larger households, and children generally do not require the same income as adults to attain the same standard of living.

Table 4.2

Household equivalent disposable income for households in this study

Household	Household Type	Weekly Household Equivalent Disposable Income [†] \$	Raw Income Ranking 1=highest 12=lowest
A	4 adults plus 9 children	294	9
B	2 adults plus 3 children	472	2
C	2 adults plus 4 children	330	7
D	2 adults plus 1 child	387	4
E	2 adults plus 2 children	339	5
F	1 adult plus 0 children	462	3
G	1 adult plus 0 children	482	1
H	2 adults plus 5 children	251	12
I	1 adult plus 3 children	286	11
J	1 adult plus 2 children	296	8
K	2 adults plus 0 children	331	6
L	1 adult plus 4 children	288	10

[†] These equivalised household disposable incomes have been calculated using the household disposable income in Table 4.1 and the revised Jensen scale (Jensen 1988).

The weekly equivalent disposable income for the 12 households involved in the study ranged from \$251 to \$482. All fell below the 1996 national average (mean) weekly household equivalent disposable income of \$612 (Statistics New Zealand 1999). "Both the Royal Commission on Social Policy and the European Community have set 68% of the average wage as an appropriate benchmark for a minimum wage level" (Austin et al. 1996: 18). Eight of the 12 households involved in this study had low incomes because their equivalised incomes were less than \$354 per week. This corresponds to 68 percent of the

after tax ordinary time average weekly wage of \$404 (Statistics New Zealand 1998e)³. Table 4.2 shows that five of the eight households with low incomes (that is, equivalised incomes of less than \$354 per week) were single parent households whose main source of income was the Domestic Purposes Benefit. Four of the eight households with low incomes are large families with four or more children.

The highest raw income ranking of one and three (Table 4.2) for the two elderly single persons living alone, seems to suggest that they have a better standard of living, even though they are only left with \$90 and \$105 as residual income after paying for housing costs. The use of only income as a measure of standard of living, therefore, does not give a good indication of the actual standard of living of participants and households involved in the study. Statistics New Zealand (1999: 67) have observed that the equivalent income "is a statistical artefact, useful for comparing households on a standardised basis, but not otherwise corresponding to any 'real-life' income concept".

When participants were asked how their standard of living and quality of life had changed since the last five years, 9 of the 12 participants felt that they were worse off, 3 felt they were better off, and 1 participant felt her standard of living was the same as five years ago. The responses to this question did not add up to twelve because one participant felt she was better off in some ways and worse off in other areas. The main reason given by the nine participants for a drop in their standard of living was that they did not have enough income to meet the costs of food, clothing, and housing, the three essential prerequisites of life. The next chapter will provide a detailed discussion of income allocation.

Table 4.1 shows that all 12 households spent more than 25 per cent of their income on rent. This exceeds the Royal Commission on Social Policy's (RCSP) definition of an affordable housing cost (RCSP 1988). Table 4.1 also indicates

³ Calculated from the ordinary time average weekly earning of \$663.66 before tax using the 1998 Inland

that six beneficiary households spent half or more of their income on housing. By the Ministry of Housing's (1994) definition half of the households involved in the study, all of whom were State house tenants, were in serious housing need due to unaffordable housing costs. Housing consumed more than half of their income. The housing experiences of the 12 households studied are discussed in Chapter 6.

One measure of poverty used by Oppenheim and Harker (1996: 1) is the number of people "living below half average income after housing costs". Using this definition and the last column of Table 4.1, ten households (C to L) are deemed to be in poverty because their residual incomes are below \$355, half of the average income for the average New Zealand household in 1997-98. The inadequacy of the level of residual income of these households to meet other basic costs and responsibilities are evident in the comments of five of the participants. Linda (household C) noted: "I have learnt that I can go without a lot of things that I thought necessary". She continued:

Like my children's clothing, and because way back I used to ... afford to buy clothing for my kids nearly every week. Like something for this kid this week and for the other kid the following week. But now I can't even afford to buy them anything.

Five years ago Linda was not on a higher income but what helped her most was the lower rent of \$89 as against her current rent of \$230 per week. Linda also stated that beds and chairs were the things that her household needed but they could not afford.

Well, I have been wanting to get some beds for my children because the beds we have, they were using them when they were about four or five years old but now they are all growing up. And then one of my sons is ten and when he hops on his bed, it all go squeaky and ... We need some chairs too but I can't afford.

When she was asked about how she dealt with not being able to afford beds and chairs, she replied she would have to save up money to get them. Her sister had given them some chairs. Georgina (household K) noted that: "Well

five years ago we could afford to buy linen, clothes, shoes, new furniture and things like that".

Lisa (household H) was worse off because she sometimes had to go without food. When Laura (household A) was asked if she was okay with the basic things like food, shelter and clothing, she commented: "I'll go for more food definitely. Our basic food is potatoes, flour, butter, oil. Our meat is sausages". Meat and chicken are luxuries.

In answering the question on the changes in her standard of living over the past five years, Amanda (household L) said: "Well that is a hard one because I have also matured over those years so I've also learnt how to cope and budget but it's been on less and less and less and less". She had not been able to pay the school fees of \$600 for her oldest son who attended a private Intermediate school. For her the outcome of that is that she will not be able to send any of her other children to that school.

As mentioned earlier three participants stated they were better off in 1998 than five years ago. The reasons given by Joyce (household D) were that her household was better off because of her husband's stable job and the amenities which they had been able to acquire since first arriving in New Zealand 11 months prior to the time of the interview. Rebecca (household J) felt better off and happier in 1998 than in the previous five years not because of an increase in income, but because of a change in family circumstances. She said: "I was staying with the kids' father. He had his house and no good. I am happy now because I have my own place". Linda's household was a little better off because of having better household items. She stated: "Well before we had really ragged chairs, and we only had a TV on a table and an old car, about 1971 car".

4.2.2 Material Living Standards

This section examines indicators of minimum or acceptable living standards, necessities, and material deprivation from the point of view of the

participants involved in this study. All participants were asked questions about what household items all New Zealanders should have in order to maintain a minimum standard of living, and which of these items they considered necessary. The approach developed by Mack and Lansley (1985) and Frayman (1991) was followed but due to constraints of time and resources this study gave participants a list of only 12 major household items instead of the 35 used by Mack and Lansley (1985) and 44 items used by Frayman (1991). The findings from Statistics New Zealand indicate that the ownership patterns of New Zealanders (Table 4.1) seem to suggest that most New Zealanders own 9 of the 12 major household items. Computers and dishwashers were owned by 28 and 32 per cent of New Zealanders respectively in 1996/97 (Statistics New Zealand 1998d).

Of the 12 major household items shown in Table 4.3 (page 77), all households considered a fridge and washing machine to be necessities and 11 considered a stove to be a necessity in all New Zealand homes. Landlords in all rented accommodation in New Zealand normally provide stoves. According to Philippa (household G), many of these major household items were not available in the area where she was brought up. For instance, they did not have electricity until about 1954 and without electricity they could not have a fridge. Before they had a refrigerator, Henry (household F) remembered his mother keeping meat in a safe, a sort of a cupboard with ventilation. But for now Philippa said: "Yes I would say it's good having a fridge ... you can have a greater variety of food with a fridge". Henry supported this view:

I consider a refrigerator today to be a necessity. I don't consider a television to be a necessity. I think a washing machine is a necessity too, because people don't have coppers and things like that to boil up things to do the washing that way. I think you need some form of media [radio or television] to keep up with the world.

Less than half of the participants considered the remaining nine items (Table 4.3) to be necessities. However, apart from fridge, washing machine, and colour television which all the households owned, the majority of households were not able to afford the other nine household items, which all 12

households studied agreed all New Zealanders should have in order to have a minimum standard of living.

Table 4.4 (page 78) shows that while most of the necessities were bought new, a few were bought either second hand or given as a gift. Amanda (household L) a sole parent considered a fridge to be an absolute necessity. Although she had bought her fridge new, she described its condition at the time of the interview as: "nearly dead. It's just about dead. It's all rusted, and it turns off when it wants to, but it's what we use. When it dies, then I will worry about it". Amanda also has a microwave, which was given to her by her sister.

Table 4.3

Indicators of minimum standard of living, necessities and ownership patterns of households in this study and New Zealand households

Major household items for a minimum standard of living	Number of households describing as necessary (n=12)	Number of households having item (n=12)	New Zealand households surveyed having item %
Fridge	12	12	80
Washing machine	12	12	98
Stove	11	12	96
Colour Television	5	12	97
Microwave oven	4	5	77
Car	3	5	..
Heating appliance	3	5	76
Clothes dryer	2	3	66
Computer	2	1	28
Dishwasher	1	0	32
Freezer	1	3	55
Video recorder	1	4	80

.. figure not available

Source: Compiled from questionnaires and interviews with 12 participants in 1998 and Statistics New Zealand 1998d.

Table 4.4

Ownership of major household items for households in this study

Major household item	Bought new	Bought second hand	Given as a gift
Fridge	9	2	1
Washing machine	9	3	0
Stove	2 ¹	2	2
Colour Television	7	3	2
Microwave Oven	3	1	1
Car	1	4	0
Heating appliance	4	1	0
Clothes dryer	2	0	1
Computer	0	0	1
Dishwasher	0	0	0
Freezer	1	1	0
Video recorder	3	1	0

¹ Household E which owns house with mortgage, bought stove new. The other stove was almost new when State tenant came to house.

² No record here because the other state tenants consider stoves as items owned by HNZ.

Source: Compiled from questionnaires and interviews with participants in 1998

Even though a car was considered a necessity by only three participants, Robins (1996) using a simple amenities index found that the average New Zealander regards a car, telephone, and washing machine to be necessities. As mentioned earlier in Chapter 2, most of the participants in Dann and Du Plessis's (1992) study who were on the Domestic Purposes Benefit regarded a phone and a car to be essential items. The seven households in this study without a car may therefore be considered to be in a state of deprivation since they do not enjoy the independence of using a car as do most New Zealanders. Six of the seven households who could not afford to buy and maintain a car were beneficiary households. The responses given by Monica (household I) and Amanda (household L) when asked whether they lacked a particular item because of cost were typical of others. According to Monica: "I would like to have a car, but I can't afford. No way I would afford a car. Amanda said she would not mind having a car but that will never happen because it costs lots of money. Michelle (household B) commented on the inconvenience of not owning a car: "We desperately need a car that's the other thing. I walk to take my kids to school so walk back there but some, you know, some days it's raining".

A heating appliance was considered a necessity by only three households but according to Statistics New Zealand (1998d) 76 per cent of New Zealand households surveyed in 1996-97 had a portable electric heater while 28 per cent had a portable gas heater. As it can be seen from Table 4.3, seven households did not have heating appliances. Three of these were low income-working households, while the other four were beneficiaries. Amanda (household L) and Rebecca's households had coped without heating appliances during winter seasons by putting on heaps of blankets and socks.

The household items listed in Table 4.3 did not include a telephone but during the interviews it appeared that only two households did not have telephones. The lack of a telephone in low income households can be considered as a material deprivation. Ninety six percent of New Zealand households surveyed in 1996-97 had telephones (Statistics New Zealand 1998d). According to Robins (1996: 189), "the lack of a telephone can be a substantial hindrance to job search activity and to people's availability to be considered for casual work opportunities". At the time of the interview Linda's (household C) telephone had been disconnected for making urgent calls to the Pacific Islands for which she could not pay. They were hoping to have the telephone connected after paying off the remaining amount of \$145 in instalments by the end of December 1998.

4.2.3 Level of Disadvantage and 'Social Exclusion'

While using certain aspects of the approaches used by Mack and Lansley (1985) and Robins (1996), this study will also adopt a social exclusion approach to provide a framework for analysing the relationship between living standards and rights. Social exclusion, a term used more widely in Europe than in New Zealand is defined in terms of the denial of civil, political, social, economic and cultural rights.

Social exclusion is a broader concept than poverty, encompassing not only low material means but the inability to participate effectively in economic, social, political and cultural life, and, in some characteristics, alienation and distance from the mainstream society. (Duffy, 1995 quoted in Oppenheim and Harker 1996: 19)

One of the basic principles of the Royal Commission on Social Security (1972: 65) was that every New Zealander should be able to enjoy a standard of living much like that of the rest of the community and thus be able to feel a sense of participation in, and belonging to, the community. This principle was generally accepted by the community and successive Governments until 1990. The income distribution that has resulted from the economic liberalism of New Zealand Governments since 1990 has been highly unequal, particularly between the highest and lowest income households. Using Household Economic Survey data, Podder and Chatterjee (1998) examined the trends of household income inequality in New Zealand over the period 1984-1996 and found that "the bottom 80 per cent of New Zealand income earners suffered a reduction in their share of the total incomes paid out, while the top 5 per cent enjoyed a 25 per cent gain after twelve years of painful restructuring".

The State is seen as having a very limited role in society and relying on the private free market to provide well being. As a result certain groups of people such as Maori, *Tagata Pasifika*, beneficiaries and low income earners have been economically marginalised in New Zealand society (Krishnan 1995; Mowbray and Dayal 1994). Income Support Benefits provided by WINZ to beneficiaries since 1990 have not been at a level adequate to enable low income earners and beneficiaries to belong and participate in New Zealand society. Easton (1996) estimates that 593,000 people were in poverty in 1991-1992, that is, their incomes were below the Royal Commission on Social Security Benefit Datum Line (BDL). Income Support Benefits in New Zealand from 1990 to 1998 have been about providing a minimum standard of living that responds to individual need but not to social and citizen rights. This is in line with the Neo-Liberal idea that poverty is caused by individual failure rather than societal failure (Cheyne et al. 1997).

The research literature on exclusion includes studies of the following specific social categories:

- The long-term or recurrently unemployed

- The low paid and the poor
- The unskilled, illiterate school dropouts
- The mentally and physically handicapped and disabled
- Single parents
- Women
- Foreigners, refugees and immigrants
- Racial, religious, linguistic and ethnic minorities
- Recipients of social assistance
- Those needing, but ineligible for, social assistance
- Residents of deteriorated housing or disreputable neighbourhoods
- Those with consumption levels below subsistence - the hungry, the homeless, the Fourth World
- The socially isolated without friends or family (Silver 1995: 74-75).

Silver (1995) and Townsend (1979) used typologies respectively termed "social categories of disadvantage" and "social minorities". Disadvantage is defined relative to some common norm or acceptable standard for a given society (Clapham, Kemp and Smith 1990). From these I developed disadvantage and social exclusion indicators. Disadvantage indicators are those measured in Table 4.5 (page 82). Social exclusion refers to the limitations experienced by individuals and households with regard to their sense of belonging to and/or, of being able to participate in social activities in their local and wider communities.

Thirteen disadvantage indicators applied to at least one member or all members of the 12 low income households. As low income, poverty, high housing costs, lack of household items and large family disadvantage indicators have been discussed in the previous two sections, this section discusses the eight other disadvantage indicators under three main category groups, all of which are interrelated:

- the long-term unemployed; beneficiaries; single parents; disabled or handicapped adult or child
- women; non-white (minority ethnic groups); immigrants, and

- the socially isolated without family, friends, community or state support.

Table 4.5

Number of households in the study with at least one member with a disadvantage indicator.

Disadvantage Indicator	Number of households n=12
Low income ¹	12
Long-term unemployed (11 months or more)	11
Poverty ²	10
Non-white (Ethnic minority group)	9
Lack of household items for a minimum standard of living	9
Women headed households	8
Beneficiaries	8
Immigrants	6
High housing costs (half or more than half of income on rent/mortgage)	6
Single parenthood	5
Disabled or handicapped adult or child	5
Socially isolated without family, friends, community or state support	5
Large family	4

¹ defined as households receiving Community Services Card and/or Family Support.

² defined as households living on residual incomes below half average income of the average New Zealand household (Table 4.1)

Source: Compiled from questionnaires and interviews with participants in 1998

The long-term unemployed; single parents; beneficiaries; the physically handicapped and disabled

Seven beneficiary households and the partners of the four low income-working households have been unemployed for long periods of between 11 months and 21 years (boxes 4.1 to 4.12). Lisa, Monica, Rebecca, and Amanda are single parents taking care of young children. When asked if they would be able to find a job to increase their income, Amanda's (household L) response was typical of the four solo mothers on Domestic Purposes Benefit:

If I had to find a job I would find a job. I know I would, no matter what it was I would find a job but I can't because of the kids. And I can't afford. [child care]. The Government apparently pays a subsidy. They pay for child care but they only pay so much. And whatever job I get is going to earn such

a small amount it wouldn't be worth it and someone else will be bringing up my kids.

Monica (household I) said that while it was sometimes easy to get a low profile job with a low wage of \$7 or \$8 per hour it is not worth it for the reasons that Amanda noted. Georgina (household K) is a single parent aged 55-59, a widow, and living with her 20-year-old son. She had tried to get a job but because of her age and lack of qualifications she has not been successful in her job search. She did two courses but still could not get a job. When asked how her current position could be improved, Georgina said:

That's a hard question. Because if I work part time, they deduct practically the equivalent off my benefit, so we don't get any incentive to work. Because I know once I have got my office set up and start my business, all the money I earn they will deduct from my benefit, so I won't be better off even if I do go to work.

The main source of income for households E and G is National Superannuation. Sylvia (household E) aged 35-39 is a housewife who said she would love to work but could not work because she has to take care of her husband (the superannuitant) who has had a stroke. Philippa (household G) aged 69 is a widow, who was farming until her husband suffered a stroke 16 years ago. No longer able to manage the farm they moved to Auckland where healthcare services and hospitals were available. He went on to an Invalids Benefit and for 16 years Philippa cared for him until he died in July 1998. At the time of the interview Philippa was on National Superannuation. When asked whether she could find a job to increase her income she responded that she could not work full time:

Perhaps a small part-time say two days a week. I might be able to do homecare or sitting with someone who is not well. But apart from that no I think my age and also I am slowing up and I really can't do things that I used to do 10 years ago.

Henry (household F) is an elderly person aged 62 and on transitional Superannuation. He had a personal grievance case against a previous employer for wrongful dismissal (case was still pending at the time of interview). He recounted his experiences about finding work and job training:

You had to register at the Labour Department and I went in to register. A very, very nice young guy and he looked and said Mr. Henry this is all academic because really at your age you're not going to get another job. And I came out and I thought bloody hell and I really was angry about that so I went and did a word processing course for the computer and I thought well that will always stand you in good stead, then a little while ago I did another telemarketing course. I was one of the top people that on the training programme with Lampen and Associates and I could go and work for them for \$15 an hour any time I want, but I chose not to do that at this stage. I would prefer to sell real estate than be on the telephone all the time. So you know I don't think it hurts to go out and earn some money.

At the time of the interview Henry was employed as a Real Estate Salesman.

All four low income-working households depend on single incomes earned by Linda and the male partners of Laura, Michelle, and Joyce. Linda's husband had not been working for the last 12 to 13 years. He went on the Invalids Benefit at the beginning of 1998. Laura, Michelle and Joyce's situation as full time mothers with pre-schoolers prevents them from finding employment. However, Joyce was of the view that her family's current position could be improved if she and her partner were both working: "Assuming I am working now, the standard of living will improve. You know, but it's only because one person is working and three people are eating. So that is why it's difficult now". Her husband works at night and sleeps during the day. Thus, the nature of her husband's job makes it difficult for Joyce to find a job.

Women; non-white (ethnic minority groups); immigrants

Ten of the 11 long-term unemployed shown in Table 4.5 and discussed above are women and 7 of the 8 beneficiaries are women headed households. Of the eight beneficiaries, five single parents are women, and one is a lone older woman. Monica (household I) talked of the difficulty that sole parents who are women and on Domestic Purposes Benefit face in making ends meet on a low income: (quotation at start of this Chapter). Such a statement and the information gathered on women in this study support the point made by O'Brien, Cervin, Chile and De Haan (1997) that poverty is experienced more extensively by women than by men in Auckland. Cheyne et al. (1997) also noted that a substantial majority of lone parents in impoverished households

in New Zealand are women. Such findings are examples of the process of the feminisation of poverty.

Townsend (1979) listed 13 social minorities in Britain with a higher than average incidence of poverty. These included households in which there was a non-white person. Nine out of the 12 households in this study are non-white and are of the following ethnic minority groups in New Zealand: *Tagata Pasifika* (five), New Zealand Maori (three) and African (one).

As it can be seen from Table 4.6 (page 86), the ethnic minorities in New Zealand are made up of mainly New Zealand Maori (the indigenous population), *Tagata Pasifika*, and other immigrants from Asia and other parts of the world. According to Spoonley, (1994) Maori and *Tagata Pasifika* have suffered racism and have been excluded from important resources within New Zealand society such as health, education and employment, and face substantial problems in obtaining equal access.

Questions were not asked during the interviews about citizenship but the responses from participants in households C and D showed that they were excluded from full citizenship and full participation in the welfare state in New Zealand. Joyce (household D) and her husband (Edward) from Nigeria, West Africa had been in New Zealand for 11 months at the time of the interview. Edward has a University degree from Nigeria but was working in a factory in Auckland. They had a four-month-old baby who is automatically a New Zealand citizen. Edward was doing a quality assurance course at a polytechnic for which he paid \$2000. If he were to study at a university he would be deemed an international student and pay more because the New Zealand Immigration Service had not yet approved their application for permanent residence. So Joyce was of the view that it was better for them to wait for approval of their permanent residence before undertaking university study.

Table 4.6

Ethnicity (total responses) by birthplace for the usually resident population, 1996

Resident Population	Percent
European ethnicity	72.5
New Zealand Maori ethnicity	13.2
Pacific Island ethnicity (<i>Tagata Pasifika</i>)	5.1
Asian ethnicity	0.4
Other ethnicity	0.4
Not specified	4.4
<i>Total</i>	<i>100.0</i>

Source: Compiled from Statistics New Zealand (1997)

Linda (household C) was a teacher in the Pacific Islands but when she came to New Zealand 17 years ago, she was unaware that at that time that New Zealand accepted qualified teachers from the Pacific Islands. Although she now knows of people who qualified in the Pacific Islands and are teaching here, she would not try to go into teaching. Currently she has an unskilled job in a factory, but is planning to do a course that would help her to get a better-paid job.

The socially isolated without family, friends, community or state support

For most households life on a low income is such that they cannot be involved in as many social activities as they used to. For example as Henry (household F) states:

I don't have holidays. I used to go abroad a lot. That's not a necessity of course but I do not have holidays because I can't afford them. I do not go out to restaurants because I couldn't afford them. I do not go to concerts. I do not play golf. I have no activities at all that cost money.

Linda's situation was similar: "I certainly don't go out to dinner. I don't entertain. I cannot afford to entertain people".

Three households (D, F and J) did not have family in New Zealand. Where State support was inadequate, these households relied on friends and the community for support. The kind of support received from these sources will be discussed in more detail in the next chapter when income allocation, and the coping strategies used by low income households faced with budgeting problems, rent arrears, breakdown of a car or a major home appliance, lack of food and luxuries, are considered.

4.3 Summary

The profiles of households A to L in the first section of this chapter have provided useful background information on the characteristics of participants and their households. The second part of the chapter has presented data collected from questionnaires and interviews in order to assess the living standards and quality of life of 12 participants and households in the Auckland region with regard to their disposable income and to ascertain evidence of material deprivation and social exclusion.

The majority of both beneficiary and low income-working households felt that their income and financial situation in 1998 were worse than they had been over the previous five years. Their incomes were inadequate to meet the basic necessities of life (food, clothing, adequate housing) and they had to forgo many of the basic needs which the average New Zealander takes for granted. The residual or after housing income of 10 of the 12 households studied was below \$355 (half of the average income of the average New Zealand household). These households were deemed to be in poverty. Most of the sample households lacked six common household items (microwave oven, car, heating appliance, clothes dryer, freezer and video recorder) which participants thought all New Zealanders should have in order to maintain an acceptable or minimum standard of living. They are unable to afford these and other household items, some of which are necessities, because of their low income.

An analysis of the questionnaires and interviews held with 12 participants and households involved in this study have found that 13 disadvantage indicators applied to at least one member or all members of these households. Nine of these disadvantage indicators applied to 6 or more of the 12 households in this study. Participants and households with multiple disadvantage indicators did not enjoy a standard of living comparable with that of the average New Zealand household, because deprived of their economic, social rights, they were unable to participate in and belong to their communities. Seven beneficiaries and the partners of the four low income-working households are excluded from the labour market because of the young kids they care for, disability in the household, age or lack of qualifications. The low level of Benefits and supplementary payments received ensured that all 12 households studied, most of whom are women headed, immigrants and of ethnic minority origin are excluded from full participation in their communities and New Zealand society.

It was found those beneficiary and low income-working households with inadequate income, and/or deprived of common household items, and/or socially excluded had a reduced standard of living and quality of life compared to the average New Zealand household.

Chapter Five

Income Allocation and the Money Problems of Low Income Households in Auckland

When I draw out my salary on a Thursday I look at it and then the next minute it's all gone. It's like two-thirds of it goes on the rent and one third of it - I have to struggle with that amount of money to pay my bills, give my kids some clothing. I haven't bought any clothing for the children for the last two or three years. I only had to buy those white clothes for white Sunday. I had to. It's something that I have to do. But the rent, it's very stressful sometimes with the high rent and it gets to people every now and then. When you think of the \$250 that you give for the rent you say to yourself, oh am I just working for the rent, and *people say sometimes they have to have a roof over their head. Well you can't just have roof over your head, you have to have food to eat and feed the children, and to clothe the children.* (Linda, a low income working-household with husband on a sickness Benefit and four children; italics my emphasis)

The evidence revealed in the previous chapter shows that the low income groups of beneficiaries and low income-working households involved in this study have a reduced standard of living compared to the average New Zealand household. This chapter examines how these low income groups allocate their income, expenditure, and the kind of strategies they use to cope or manage with money problems. The next two sections of this chapter focus on income allocation and the strategies used by three specific groups of low income households in Auckland in order to cope with problems of income and expenditure, with regard to exigencies such as lack of food or household items, rent arrears, home appliance or car breakdowns.

5.1 Income Allocation

5.1.1 Household Budgeting

When participants were asked about how they made up their weekly budget, I found out that 9 of the 12 participants did not budget. A budget advisor from the Citizen's Advice Bureau (CAB) whom I had invited to verify the weekly budgets which I had asked study participants to complete prior to the interviews, commented that from his experience he had observed that a lot of people did not budget. Most people spend their income on bills and other things as they come up. For example when household H said she did not budget, her response when asked how she spent her income was: "Well I just pay a certain amount like say for the power or the phone, and try and make do with what I've got left to buy food". This response was typical of most participants. The first priority was the payment of rent, phone, power, and other bills. Seven participants paid their bills through automatic payments. One reason given by Henry (household F) for not budgeting was that he did not have enough money to worry about budgeting. "It is genuinely in mind all the time you know", he said.

The three participants who budgeted in the usual sense of the word were Georgina (household K), Philippa (household G), and Rebecca (household J). When asked how she budgeted every week, Georgina stated:

Well I know what I have coming in and I adjust my income and my needs in my budget around that income. If I have something unexpected then I have to cut down on something else because I don't have an overdraft or anything so I only have a limited amount and when that's finished, that's finished.

In working out her budget Philippa got help from the New Zealand Federation of Family Budgeting Services Incorporated who work in connection with the Citizen's Advice Bureau (CAB). With the help of a CAB budget advisor an annual budget was worked out and then broken down to fortnightly and weekly budgets. A Sister of Mercy did Rebecca's budget for her and also made sure she paid her bills and helped her with food if she

could not afford it. Georgina (household K) did not use the services of a budget advisor as had Philippa and Rebecca, but she was well organised as far as her budget was concerned. When asked whether she normally wrote down what she spent, Georgina responded:

I write down what I need for groceries and the rest. I have estimated how much I would need for the year and I have put so much aside to pay those like power and telephone and insurance. They are in a separate account and I save that just for them and I just have to work out the rest on my board money.

5.1.2 Income and Expenditure Patterns

This section examines the patterns of income and expenditure of the 12 households who participated in this study. Income and expenditure data are presented in Tables 5.1, 5.2 and 5.3 (pages 92 to 94), for three low income groups: low income-working households, superannuitants and single parents. Statistics New Zealand's (1998a) Household Economic Survey (HES) for the year ended March 1998 has been used to compare the studied in each of the three low income groups with the income and expenditure of the average New Zealand household (Tables 5.1, 5.2, and 5.3). Table 4.1 showed how the average (mean) weekly disposable income of \$710 for the average New Zealand household was calculated. The median weekly disposable income would have been preferred as the income figure for the average New Zealand household but this was not available from Statistics New Zealand's HES for the year ended March 1998.

Sources of household income

As has been mentioned in the previous chapter, the disposable income of each of the 12 low income households is below that of the average New Zealand household. Tables 5.1, 5.2, and 5.3 show that the main sources of income for low income-working households is wages while that for single parents and superannuitants are Benefits from Work and Income New Zealand (WINZ). The four low income-working households and two superannuitants (households E and F - Table 5.2) knew how much money they were receiving

Table 5.1

Income and expenditure patterns of four low income-working households in this study and the average New Zealand household

1998	Household A (size= 13)	Household B (size= 5)	Household C (size= 6)	Household D (size= 3)	Average NZ household
Income	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>
Wages (after tax))	432	580	325	320	
AS	not entitled	not applied	see IB	97	
Family Support	135	105	174	50	
Board	150	...	...	...
IB (incl. AS)	...	...	78	...	
Disability allowance	...	60	...	...
Total income (after tax)	717	745	577	467	710
Expenditure group	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>
Housing	235	240	250 ¹	180 ²	128
Transport	..	..	105	25	123
Other services	137	15	36	..	117
Food	160	100	100	100	114
Household operation	50	40	30	26	95
Other goods	16	..	60	..	81
Clothing and footwear	..	15	10	15	27
Total Expenditure	568	410	591	346	683
Income - Expenditure	\$119	\$335	-\$14	-\$14	\$27

¹ Includes \$20 rent arrears

² Includes \$10 rent arrears

.. figures not available

... Not Applicable

AS Accommodation Supplement

FS Family Support

IB Invalid Benefit

Source: Compiled from questionnaires and interviews with participants in 1998 and Statistics New Zealand 1998a.

Table 5.2

Income and expenditure patterns of three households in the study and this average New Zealand household

1998	Household E (size= 4)	Household F (size= 1)	Household G (size= 1)	Average NZ household
Income	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>
NS (+AS+FS)	...	...	325 (after tax)	
National Superannuation	345 (after tax)	...	...
Transitional Superannuation	...	185 (after tax)	...	
AS	40	100	Incl in NS	
Family Support	93	...	...
Medical Benefit	...	15	...	
Special Benefit	...	...	Incl in NS	
Total income (after tax)	478	\$300	\$325	\$710
Expenditure group	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>
Housing	151 ¹	210	220 ²	128
Transport	..	67	25	123
Other services	129	63	20	117
Food	98	67	46	114
Household operation	40	50	21	95
Other goods	..	..	..	81
Clothing and footwear	..	..	..	27
Total Expenditure	418	457	332	685
Income - Expenditure	\$60	-\$157	-\$7	\$27

¹ Includes \$15 land rates

² Includes \$10 rent arrears

.. figures not available

... Not Applicable

Incl in NS. Included in National Superannuation

AS Accommodation Supplement

FS Family Support

NS National Superannuation

Source: Compiled from questionnaires and interviews with participants in 1998 and Statistics New Zealand 1998a.

Table 5.3

Income and expenditure patterns of five single parent households in this study and the average New Zealand household

1998	Household H (size= 7)	Household I (size=4)	Household J (size= 3)	Household K (size= 2)	Household L (size= 5)	Average NZ household
Income	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>
Benefit (+AS+ FS) - (after tax)	399	383	...	251	437	
DPB (after tax)	...	...	208	...	...
AS	Incl in ben.	Incl in ben.	82	Incl in ben.	Incl in ben.	
Family Support	Incl in ben.	Incl in ben.	47	Incl in ben.	Incl in ben.	
Board	80	...	...	80	...	
Total income (after tax)	479	383	337	331	437	\$710
Expenditure group	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>	<i>\$ per week</i>
Housing	240	210	190 ¹	210	195	128
Transport	..	5	2	..	15	123
Other services	11	20	10	33	21	117
Food	145	110	60	80	140	114
Household operation	35	21	35	28	42	95
Other goods	25	..	10	..	42	81
Clothing and footwear	..	..	20	..	..	27
Total Expenditure	456	366	327	351	455	685
Income - Expenditure	\$23	\$17	\$10	-\$20	-\$18	\$27

¹ Includes \$5 rent arrears

.. figures not available

... Not Applicable

Incl. in ben. Included in benefit

AS Accommodation Supplement

FS Family Support

DPB Domestic Purposes Benefit

Source: Compiled from questionnaires and interviews with participants in 1998 and Statistics New Zealand 1998a.

in wages or Benefits, and any supplementary payments, such as Accommodation Supplement (AS) and Family Support (FS) to which they were entitled. However, the same could not be said of the five single parents and one of the superannuitants (household G). These participants knew only the total amount of money they were receiving, which included any supplementary payments. These households did not know how much money they were receiving for Domestic Purposes Benefit (DPB), Widows Benefit, and in supplementary payments. Details of the income of household J shown in Table 5.1 were not collected from Rebecca but from a Sister of Mercy who kept records of how much Rebecca received as DPB, Accommodation Supplement and Family Support. Philippa (household G) knew that she was receiving \$230 a fortnight (including Special Benefit) after paying rent. This meant that her total weekly income was \$325 a week, that is, \$220 for rent and a residual income of \$105, but the income she stated on her weekly budget sheet was \$312.50 instead of \$325. When Amanda (household L) was asked if she was receiving Special Benefit, her response was: "I think I'm actually getting that but I don't know because I get a small Benefit but I think there is something in there". She said she did not like dealing with Work and Income New Zealand (WINZ) because they were quite rude and nasty. She tried to avoid them completely. Amanda's response when asked if she had received any Benefit advance from WINZ was: "No. I know you can get loans from them for different things but I'm too afraid to owe Social Welfare money". Henry (household F) did not know you could get a Benefit advance from WINZ. He was, however, of the view that there was no point in having a Benefit advance because you have to pay it back anyway.

There had been a decrease in the income of two Beneficiary households during 1998. The transitional Benefit of household J was \$363 at the time of the focus forum in August 1998, but this had been reduced to \$300 after a three-month review at the time of the interview in October 1998. According to Monica, the income of her household (that is, household I) for two weeks after

paying rent was \$450, but this had been reduced to \$346 three months prior to the interview.

The importance of receiving supplementary Benefits for low income-working households was expressed by Linda (household C), whose husband had to go on the Invalid's Benefit because: "I did not have enough money from work to cope with all the expenses, so I had to, we had to go and apply for his Invalid Benefit just to get something to help us out".

Allocations of household income and expenditure

The weekly budget sheets (Appendix 5) were completed by 12 participants between August and October 1998. At the time of the interviews, between September and November 1998, I used participants' weekly budget sheets, either completed or incomplete to check for any inaccurate recording of income and expenditure and to ask for more information on each household's income and actual expenses within the last week prior to the interview.

Tables 5.1, 5.2, and 5.3 show the weekly amounts of cash income devoted to the following seven expenditure groups as used by Statistics New Zealand (1998a) by the three low income groups at the time of interview:

- housing (rent and repayments for rent arrears, mortgage and land rates)
- transport (car running and bus costs)
- other services (debt, school expenses, payments to court, WINZ and Inland Revenue Department, insurance and superannuation, movies, and entertainment)
- food (groceries and hot food)
- household operation (power and phone bills)
- other goods (hire purchase and lay-bys)
- clothing and footwear (clothing and shoe expenses).

It must be noted that the income and expenditure allocations in Tables 5.1, 5.2, and 5.3 were based on what participants remembered at the time of the interview, and it was likely that they forgot to mention some expenses they

had incurred or under-reported estimated amounts for some items of expenditure such as transport, food, clothing and footwear. For instance, the high surplus figures of \$119 and \$335 for households A and B are not savings so they could be the result of failing to report some expenses and under-reporting. However, overall, the amounts allocated for housing, household operation, other goods and services were either accurate or were averages of fortnightly or monthly amounts. With the exception of some services such as school, movie and entertainment expenses, most of the other amounts were paid by automatic payments through the banks.

Robins (1996) noted that, the main reason why households which depend on income support are not able to afford a range of amenities is because they spend 25 per cent or more of their total expenditure on rent or other accommodation costs. "This would appear to indicate a reduced standard of living among these particular groups" (Robins 1996: 194). This seemed to be the case with the eight beneficiary and four low income-working households involved in this study. With the exception of households A, B and F whose expenditure patterns were unusually high or low, the remaining nine households spent between 36 and 66 per cent of their total expenditure on rent or mortgage (Tables 5.1, 5.2, and 5.3). On the other hand the average New Zealand household spent only 19 per cent of its total expenditure on housing costs.

Lack of savings by all 12 low income households studied means that unlike the average New Zealand household, most of the households studied did not make room in their budgets for special purposes, retirement and unforeseen expenses that might arise. A savings strategy used by households C and F are described on pages 106 and 107.

5.2 Money Problems and Coping Strategies

A number of agencies that provide budgeting services to low income groups include national bodies such as the Citizen's Advice Bureau (CAB), and the New Zealand Council of Christian Social Services (NZCCSS). The main aim of the CAB with 91 bureaux around New Zealand is to ensure that individuals do not suffer through ignorance of their rights and responsibilities, or of the services available. NZCCSS represents a group of Christian social service providers and their research (Young 1995) has shown that most people surveyed (76 per cent) used a budgeting agency not because of poor money management but because of inadequate income. Young notes that despite this, "budget advice does work for many clients. Clients are able to make changes which reduce debt levels and allow them to live on their incomes". Examples of local agencies in the Auckland region that provide budgeting and other social services include the Sisters of Mercy and Friendship House in Manukau City, and emergency housing agencies such as De Paul House in North Shore City and Monte Cecilia in Auckland City.

For the purpose of this study money resources of the three low income groups in this study refers to their sources of income shown in Tables 5.1, 5.2, and 5.3, while their requirements or needs are based on the seven items of expenditure which are also indicated in Tables 5.1, 5.2, and 5.3. The use of the term money problems in this study is as defined by Ashley (1983: 165): "an imbalance of resources and requirements which leads to crises, debt or the restriction of living standards to a level that is low in comparison with others in society". Problem households in this study are identified as those who have experienced arrears in their rent, power and telephone bills, deferred debt payments, and those who required help with food, household items, car or major appliance repairs, and other items of their household expenditures. Table 5.4 (page 99) shows that all 12 households studied have received assistance with food; seven households have had help with household items and rent arrears. One single parent (household F) had five money problem

indicators, the highest among all the 12 problem households. The experiences of all 12 problem households with money problems and the coping strategies used to address them are discussed fully in the rest of this chapter.

Table 5.4

Problem households and money problem indicators

Problem households	Money problem indicators	Number of indicators
<i>Low income Working households</i>		
A	food help; rent arrears; help with household items; help with inadequate income	4
B	food help; help with inadequate income	2
C	food help; rent arrears; help with household item; telephone arrears	4
D	food help; rent arrears; help with household item	3
<i>Superannuitant households</i>		
E	food help; help with household item	2
F	food help; rent arrears; power arrears; telephone arrears	4
G	food help; rent arrears; help with household item; help with budgeting	4
<i>Single parent households</i>		
H	food help; help with household item; help with inadequate income; power arrears	4
I	food help	1
J	food help; rent arrears; help with household item; help with budgeting; telephone arrears	5
K	food help; help with inadequate income	2
L	food help; rent arrears	2

Source: Compiled from interview data 1998

5.2.1 Lack of Food

Foodbanks provide food parcels to New Zealanders. Until 1991, foodbanks were few in number, small in size and gave out relatively few parcels. By 1994 however more than 40,000 food parcels were being provided to households. In May 1995 there were 365 foodbanks operating throughout New Zealand (Statistics New Zealand 1996, 1998d). According to NZCCSS (1998) foodbank use increased from 6 to 13 per cent in 1997. This was attributed to a decrease in the number of WINZ's Special Needs Grant (SNG) for food, which fell from 280,254 (value \$24.5 million) in 1996, to 235,970 (value \$21.0 million) in 1997 (NZCCSS cited in Statistics New Zealand 1998d: 156). In the study by Gunby (1996) nearly half (48 per cent) of foodbank clients used both foodbanks and SNG for food. Sixty-two per cent of respondents reported that they had at least had one SNG for food (Gunby 1996: 52).

Six of the seven households studied who had not used foodbanks knew, or had heard, about foodbanks as places where beneficiaries and low income earners could go for food when they were short of cash income, or did not have not enough cash income after meeting housing and other weekly expenditures. Henry's (household F) response when asked what a foodbank was:

In the past I have given quite a lot of things to the foodbank and made marmalade and jams and God knows what. It was a foodbank attached to a church, and I know that the City Mission have one here [in Auckland. I'm Church of England and I used to live in Palmerston North so and I know, you know, a little bit about the Samaritans and have been a counselor as well.

Henry had not used a foodbank before, but once during the previous year his financial situation was such that he had to go to the Government agency Work and Income New Zealand (WINZ) for a food voucher:

I was nearly demented. I was losing my house. I was losing my car, the whole lot. I went in to see if they could help me because I couldn't get any help from the bank at all ... So I went to see them and this woman was very kind to me and she gave me a voucher drawn on the supermarket.

Henry was given a food voucher worth \$200, which was a considerable amount for one person. He went to the supermarket and:

I was so embarrassed and the lady at Big Fresh, whom I will never forget, she was so kind she said look don't worry about this. I will cut this into four \$50 gift vouchers for you ... Now she did that but then she got into trouble. Income Support rang me up and asked me what I was doing and this poor lady at Big Fresh got into great trouble for doing this because you get this amount and you are meant to spend it.

While Henry had to go back to Big Fresh and spend the rest of the money on food, he nonetheless appreciated greatly the special help he received from WINZ.

Philippa (household G) had worked part-time for the Citizen's Advice Bureau (CAB) for 10 years. She worked three hours a week just to get a break from home. She commented:

Someone would come in and spend three hours with my husband and I'd go to the Citizen's Advice Bureau. I know what a foodbank is, and a lot of people came in and I'm told there are more now ... But I've never had to use it myself ... But if the occasion should occur I wouldn't be too proud to ask for one.

Philippa did not have trouble with food because she has relatives in a nearby town who visit her from time to time and stock her cupboard up with tinned food such as beans, fruit, vegetables and porridge. At the time of the interview in October 1998, her family had given her food items that would last her well into the following year.

In addition to Henry who had received a food voucher, there were seven other households who had been given food gift vouchers worth between \$60 and \$200 by WINZ. The following are brief descriptions of the experiences of one single parent and two low income-working households who used food vouchers from WINZ as a means of coping with lack of food, or to address an urgent need.

The first example was that of Amanda (household L), a single parent, whose household needed help from WINZ to get a children's car seat. According to Amanda: "they did a deal with me that if I pay it out of my food money ...

they would reimburse me and give me a food voucher which they did". WINZ paid for the rental of a car seat for six months.

The next two examples are from low income-working households. When Michelle's husband (household B), was ill about four to five months prior to the interview they had no income so they went to WINZ and were given a food voucher worth \$200. Linda (household C) described the situation of her household when she approached WINZ for food assistance in July 1998:

at that time we were really struggling and it's like we only had about \$30 left from our bills and all that to buy the food and \$30 is nothing compared to a six family people.

WINZ helped them with a food voucher worth \$150.

The experiences of Amanda and two low income-working households (A and C) who had used foodbanks are recounted below. Amanda, a single parent, made a distinction between foodbanks that would deliver to her home and those that would not: "I've used St. Vincent De Paul because they will deliver. I've tried Salvation Army but they can't deliver". She had used the services of the St. Vincent De Paul organisation to deliver food to her home over the past two years. She had not used a foodbank within the last year because a religious Sister of the Catholic Church had been giving her a box of tinned food once a month. When she was asked about what it meant for her to go to a foodbank, Amanda responded:

Because you have to feed your family and it doesn't matter ... You know. But I don't feel shamed. I feel quite proud of myself that I made the effort yeah. It's not always what you want. You don't get what you want. Most of the time you get what they can give.

Linda, a low income-working household, had a desperate need for food two years ago and had no choice but to use the Salvation Army's foodbank. Linda's response when asked about what this meant for her was:

It's like ... something that you have no hope ... Like you try, you try very hard. You are doing everything that you think of as good for the children but it's like you I don't know. It's a really down feeling that you get when you get to that situation and when you go to a foodbank to get something for the children.

Linda and three other users of foodbanks (excluding Amanda) felt it was shameful to go to a foodbank.

Laura, also a low income-working household, had used the Sisters of Mercy's foodbank once three years ago, but in the past had also had to go weekly to a Salvation Army's foodbank. This was because they had a budgeter at the Salvation Army who did their weekly budget for them. After paying their rent and other bills they were left with about \$45 per week for food, which was not sufficient for her household to survive on and hence the need for food parcels from a foodbank. Laura and her partner were on the 'dole' (Unemployment Benefit) at that time.

5.2.2 Rent Arrears

A unanimous report by Parliament's Social Services Committee in 1997 on the performance and operation of the Ministry of Housing drew attention to Housing New Zealand's (HNZ) "harsh" rent arrears policy:

The ministry expressed concern at Housing New Zealand's approach in using the Tenancy Tribunal as a mechanism by which to collect rent arrears, in most cases well before other avenues for the collection of arrears have been established (Kelly 1998: 20)

HNZ used the Tenancy Tribunal as a rent-collecting agency. Kelly notes that "Housing New Zealand lodged 56 per cent of all applications at the Tenancy Tribunal, while representing only 29 per cent of the rental housing market" (Kelly 1998: 20).

Seven of the 10 respondents recounted their experiences when asked to explain what happened to them when their rent went into arrears. Four of these households were still paying off their rent arrears in instalments at the time of the interview. Four households with rent arrears described how they coped.

The experiences of Linda's family quoted at the start of this chapter, is typical of most of the seven households who had been in arrears with their rent. The amount of \$250 stated by Linda included an amount of \$20 she was paying in

weekly instalments to HNZ for rent arrears. At the time of the interview in October 1998, Linda's rent had been in arrears since the beginning of 1998. When asked why her rent went into arrears she responded:

Sometimes it's like I have been paying the arrears for that week and then something will come up later on about two months later on ... in which I have to pay about \$100 to the rent, and leave the other one in arrears. So at the moment I am in arrears of about \$180, and then there was this one time at work that I was sick for about three days and I had to work for two days so the pay I got was only about \$150. So within that \$150, I could not afford to pay anything to the rent.

On this occasion, Linda's rent went into arrears for another one week and the following few months she went back into arrears. She went on:

And then when I only had two days of work it went back into arrears again. It's like it happens nearly all the time, especially when you are sick and you don't have any sick leaves left at work for them to pay you.

Linda explained that she was entitled to only five days sick leave at her work place. She arranged with HNZ to pay \$20 extra on top of her normal rent. According to Linda there was one time when HNZ wrote to her to say that they were going to take her to the Tenancy Tribunal but nothing happened. When she paid the extra \$20 it also had an effect on other items of her household expenditure:

Yeah, you have to cut down on the other items. Like the only thing that I surely cut down on is the food money. It's like I have to slash money on the food and pay \$20 extra for the rent.

She was able to cope with the rent arrears only by reducing her expenditure on food. She did not seek any help from her family, church, or WINZ for the rent arrears.

Laura (household A) was taken to the Tenancy Tribunal by HNZ over her rent arrears. She was then paying \$70 a week in instalments to HNZ but at the Tribunal this was reduced back to \$25 per week. She had finished paying off the arrears during the previous week prior to the interview in September 1998. Laura coped with her rent arrears by getting a loan to pay for the weekly instalments and even though she had finished paying off the rent

arrears at the time of the interview, she was still struggling to pay off the loan at a cost of extra \$30 a week.

Henry's (household F) rent had been in arrears to about \$1400, which was equivalent to seven or eight weeks rent. He was taken to the Tenancy Tribunal by HNZ and according to Henry:

At the mediation hearing things got totally out of control, this fellow just couldn't cope with me at all. I made an offer to him in front of the mediator to pay \$100 a week and the remark I got was, I want all the money, I have a job to do.

HNZ would not agree to him paying the arrears in instalments. Henry felt the person from HNZ did not treat him as a human being but he coped with the situation with a loan of \$2000 lent him by his friends in Auckland. However, he then had to worry about repaying his friends.

There had been three mediation meetings over an amount of \$1200 Philippa (household G) owed for five weeks of rent arrears. At the time of the interview in October 1998, Philippa still owed about \$600 for which she had committed herself to paying \$10 a week and a bit more if she could. Despite the repayments she was making, HNZ was not happy and wanted the full amount and were seeking termination of occupation of tenancy because of the rent arrears:

They are taking me to the Tribunal 29th, that's next week. I went to see a lawyer at Citizen's Advice Bureau on Wednesday. He thought it was ridiculous but he did mark out [relevant] areas in the Act, you know, and I'm going to be studying it in the weekend.

Philippa explained that she was living on only \$100 a week so that she could not afford to pay the full amount.

5.2.3 Car or a Major Home Appliance Breakdowns

The first part of this section has described the experiences of half of the 12 households studied who mentioned that cutting down on food expenditure was the most common coping strategy to deal with a car or a major appliance breakdown. The second part considers other coping strategies such as savings

and/or inaction used by four households and the final section examines their feelings about these circumstances and whether their coping strategies caused them much stress.

Four of the six households who coped with an appliance breakdown by cutting down on food expenditure were single parents. When the washing machines of households H and J (all single parents), broke down, they asked WINZ for the money to fix it. In the case of Rebecca (household J) the cost to repair her washing machine was \$145, which was paid directly by WINZ to the company, with WINZ then recovering the money through weekly reductions of \$10 from her Benefit. In order to cope with these reductions from her Benefit, Rebecca had to cut down on her food and clothing expenditure. Georgina (household K) and Amanda (household L) were of the view that cutting down on food money was the main strategy they would use if they had to cope with a major appliance breakdown. In addition, Georgina said she would have to stop any toll calls and keep her electricity bill down as much as possible. Amanda said that if her 12-year-old fridge, which she bought second hand, broke down, she would have to buy a new one on hire purchase: "and that would have to come from the food money". When asked if she would have to give up on any other things, apart from food, she responded: "There is nothing else we have to give up on. I can't cut down any of the bills".

Two low income-working households (households A and D) cut down on their food expenditure as a means of coping with car repairs. Two weeks prior to the time of the interview on 29 September 1998, household A had been given a second hand car as a gift from a friend. But according to Laura they were finding it difficult to get the car on the road: "because it needs a warrant and a registration And it needs a few things done to it. So we are trying to save a bit. Trying but we are not getting anywhere". To be able to pay for a warrant of fitness of \$20, a sixth month registration of about \$80, and some repair work on the car, Laura said that in addition to savings she would have to forego paying a few bills for one week, and to cut down on food.

The other main strategy mentioned by four households when their car or a major home appliance broke down were savings and/or inaction, while three households turned to their families for financial assistance. Linda (household C) and Henry (household F) also used a savings strategy. When Linda was asked how she coped when her car broke down, her response was:

Well, not very well. It's like we have to sort of put away a bit every week just to have something that has been broken down fixed up. Like our car we had something wrong with our muffler and it cost us \$80. So we had to put over something like \$10, \$15 every week.

Thus, because they did not have any savings that they could use, they had to save \$80 before they were able to have the car's muffler changed. According to Henry, when his washing machine blew up in early 1997, he could not afford to have it repaired so he was without a washing machine for three months until he had saved up \$200 to buy a used one.

There were also a few instances when the only strategy used by three households when faced with a car or a major appliance breakdown, was not to do anything. Laura (household A) explained the situation she was in when her car needed repairs. Their car was not running well and the total cost of repairs, which included new tyres and a new driver's seat was about \$3,400. As they could not afford to pay the high cost of the repairs the car was deregistered. The lack of a car severely limited their mobility. Luckily, Laura's husband had access to his company's truck to get to and from his workplace. Linda (household C) when asked how she managed when her washing machine broke down, commented:

It's a funny thing that you ask about our washing machine because our washing machine broke down about three or four months ago and then we had to hand wash our clothes because I have been trying to ring out for a cheap service to have it fixed up but none of the services were cheap. We couldn't afford so we just hand washed our clothes and then a month later it just came back good.

They could not afford to pay the amount of \$30 they would be charged as call out service on top of the charges for labour and parts that were needed for the repairs. As Linda commented: "knowing those people, they want their money straight away when they finish", there was no way that Linda could afford to

pay the total amount of about \$100 that would have been charged. Luckily for her the washing machine started working. Linda said: "It's like someone was looking after us".

Henry (household F) said that if he had a major car breakdown, he could not afford the cost of the repairs, so the car would have to stay in the garage. When participants were asked whether not having the money for a car or a major home appliance repair works caused them a lot of stress, five participants agreed, while another five did not agree. Laura (household A) gave the characteristic response of the five households who were not stressed by the above circumstances: "Not really. Not with me. I think why stress out about it? No. I think the only thing that really stresses me out is that if I was going to lose my home" - if she could not afford to pay her rent. When Linda was asked whether not being able to afford money for the maintenance of her washing machine caused her much stress, her response was to agree:

Yeah it causes us a lot of stress but I'm the kind of person that doesn't think, doesn't really think about things. I just sort of take it as the day comes. Like when you can't afford, you can't afford. You can't do much about it.

This view was typical of four other participants who did not have the cash income to afford many things that the average New Zealand household takes for granted. In her answer to the question of how she felt about these circumstances Linda observed: "Sometimes I feel as though I am not fully contributing to my children and my family. It's like everyday I dream that I can do. I should do. I need to buy them more clothes, shoes when ...". She felt that she was not able to help her children as much as she would wish. She was, however, impressed with the help her household had received from the Sisters of Mercy: "The Sisters of Mercy, they help us a lot. That's the only two people. They are like family to us. Anne and Margaret and if they have anything at home they always ask if the kids want them".

When asked about how she felt about seeking help from WINZ and family when faced with a major home appliance breakdown, Rebecca's response

was: "I don't want to turn to them. I don't want to turn to them all the time ... I want to do it myself but I can't because I don't get enough money".

5.2.4 Lack of Household Items

Where households were unable to afford new household items, the use or purchase of second hand goods was a coping strategy for several households who lacked essential household items, as well as for acquiring items for a minimum standard of living.

Eight of the 12 households studied said they knew of people who used second hand goods. When Linda was asked whether she knew people who relied on second hand goods her response was:

People sometimes just look at the second hand goods because they are cheap, but the quality is very bad ... like you bought a second hand TV and a month later on it breaks down and you go back to them and they say they can't do anything about it. At least for the new things they are under warranty.

Joyce (household D) who bought two second hand items, a vacuum cleaner, and a microwave, which did not work, concurred with this view. Such items as these did not have a guarantee so could not be returned and as a result of this experience, she stated:

So that is the reason why we decided not to buy from second hand. When we even look at the prices of some second hand, we just realise that it's even better to buy a new one, because their prices are nearly near each other.

Nine of the households studied had bought second hand goods and in one household (A) Laura's second hand goods had been given as a gift by the boss of her partner's workplace.

Table 5.4 showed that ten major household items were either bought second hand or given as gifts. In addition to these major household items, there were seven other household items, which were bought or received as a gift by seven households. These items were:

1. clothes bought by households C, G, H and L
2. clothes and shoes given as a gift to household A

3. utensils (pots and pans, jug, fork, glasses, spoons) bought by household J
4. furniture (lounge suite and chairs) bought by households B and F
5. books given as a gift to household A
6. ornaments bought by household J
7. vacuum cleaner bought by household D

Items 1 and 2 bought or given as a gift by five households above were essential items. According to the *Breadline Britain 1990s* survey, 74 per cent of Britons interviewed classed as necessities two pairs of all weather shoes, while 65 per cent agreed that new, not second hand, clothes were necessities. Items 3 to 7 above were items that were considered necessary to achieve a minimum standard of living by the five households concerned. The ownership patterns of these items are not provided by Statistics New Zealand (1998d) or Mack and Lansley (1985) and Frayman (1991).

When participants were asked whether there were some things that they wanted to buy new but had not been able to afford, ten households mentioned the following items:

8. clothing and shoes by household A, H, and K
9. beds by households C, D and I
10. radio and fax by household D
11. video recorder and microwave by household J
12. television, refrigerator, and washing machine by household F
13. car by household G
14. floor coverings, carpets and curtains by household L

These findings indicate that six households could not afford to buy new beds, clothes and shoes, all of which are essential household items. The reasons for needing to buy these new beds, clothing and shoes (Items 8 and 9) are explained by three households. Laura (household I) said: "My feet are bloody sore ... not proper pair of shoes or walking shoes". Monica (household E)

thought that a new bed would help her older son who was asthmatic. Linda (household C) commented:

Sometimes I feel a bit sad that I can't afford to buy things for my children. It's not that I am sitting at home and doing nothing about it. I am out there working but the pay and my husband can't help. He is sick and he can't go to work.

The ownership patterns of item 10 are not provided by Statistics New Zealand (1998d), or Mack and Lansley (1985) and Frayman (1991). Items 11 and 12 are owned by over 80 per cent of New Zealanders (Table 4.3) while a car is considered a necessity by "middle New Zealand" (Robins 1996). Carpets in living rooms and bedrooms in the home were considered a necessity by 78 per cent of Britons surveyed (Frayman 1991). To the question, what did it mean not to be able to afford new household items (Items 12 and 14) Henry and Amanda responded. Henry (household F) said that his television, refrigerator, and washing machine were all old and if they blew up he would have to buy second hand. According to him: "I do need to have some new ones but next time I will have to buy second hand ones if I have the money. If I don't I will not have them". When asked what it meant to him not to be able to buy new television, refrigerator and washing machine, his response was:

Possessions are not the beginning and ending of my life. Quality of life, peace of mind is very important to me. Those things help me to do that but that's not going to eat me up because as a single person it's inevitable that I end up in a very smaller place and this I don't need all the stuff I have anyway.

Henry explained further about what he meant by a good quality of life: "To have quality of life for me is peace of mind and that comes from being debt free, having good friends and good health".

When Amanda (household L) was asked about how she felt about not being able to buy new floor coverings, curtains and carpets, she responded:

It's annoying that I can't afford carpet because I think most people look at that as just being part of everybody has got it. And I haven't got it and it makes my kids grubby. My kids seem to always look dirty ... because the floors are very hard to keep clean ... I think of all the things right now I quite often sit in my lounge and think it would be so nice to have carpet, just you know something so basic, it would just be really nice to have carpet. It will make it ... a little bit more comfortably and homely.

5.2.5 Lack of Luxuries

Most of the participants in Dann and Du Plessis's (1992) study first thought of food when asked to talk about what were luxuries to them. Participants in this study were also asked about the kind of luxuries they allow themselves which are beyond the basics of life. Eleven households said they were able to afford at least one luxury, most of these were to do with buying fast foods from restaurants and smoking. The most common luxury used by eight households for periods ranging from once in a fortnight to once or twice a year was going to fast food restaurants, such as McDonald's and Kentucky Fried Chicken (KFC). Six households were able to smoke one or two packets a week, with household A spending \$35 weekly out of the food money on smoking.

Linda (household C) and Amanda (household L) were asked to consider the kind of luxuries they were able to afford or not afford. The only luxury that Linda was able to afford was to take her children to KFC once every three months. When asked about whether she allowed herself any other luxuries, her response was:

Well we always think about that but there is absolutely nothing we can do about it. It's like when we had an anniversary we really wish that we can go out and have dinner out but when we think of the money no way.

I asked Linda what it meant to her and her household not being able to afford any special treat. She stated that:

Well, like I said, it's a very down feeling that you got inside of you that you try your best to do everything. Try to give your children something but you still think to yourself that you are not successful in doing what you are trying to do.

The luxuries which Amanda was able to afford for her household were "the odd packet of cigarettes and McDonald's once a fortnight for one of the kids", a hand cream, a lipstick, and "luxuries like last night's firecrackers. That's a luxury but when you got kids ... They can't miss out". Amanda, however, felt guilty about buying things for herself like a lipstick and hand cream, which are luxuries to her. In her words: "I shouldn't be buying it because I could have bought something else with it. I buy it if I see it on special". For Amanda

and most of the other participants, the above luxury items are bought out of their food money. When Amanda was asked about what it meant to her and her children being able to afford the above luxuries, her response was that her three little children were "happy with everything and anything". Her only problem was her 13-year-old boy. "He sees what everyone else has got and he wants it, and that's where I have the problem".

5.2.6 Other Money Problems

"The people of Aotearoa/New Zealand owe about \$1 billion every month to credit card companies and only one quarter of that represents current purchases, the rest is arrears" (Bywater and Hely 1990, cited in Milne 1998: 245). Middle and high income earners are also stretched financially and use credit cards but low income earners and beneficiaries rely on different mechanisms such as relying on friends or going without. Some of these mechanisms are explained by five households. When Monica (household I) was asked about what happened at the end of the week when her Benefit money was spent, her characteristic response was:

When my money is finished, I just ... just for, until the next pay comes. Because I just can't loan or borrow money by people. Because I know I can't pay it back ... So there is no way I. I mean my kids may not be eating much steak and things like ... but ... they are eating something.

In response to a similar question, Laura (household A) said they would still have \$20 left, but if they could not manage on that, they would borrow from her sister. When Amanda (household L) was asked what she would do if she needed some more money for food, she responded:

There is nothing you can do. Just wait. You have to be clever and just make sure you know where your bread stretches ... But we always eat the rubbish food at the end of the week".

I asked Amanda how often by the end of the week there was no money for food, her response was: "All the time. Every week".

Henry (household F) didn't have enough money to pay his power and telephone bills in 1997. As a result he had his power cut off a couple of times and his telephone as well. In order to have his phone and power reconnected

and to get all his debts paid off, Henry explained how he coped with the situation: " I sold the piano that cost me \$12,000 five years ago for \$1500 because nobody wanted to buy it, but that paid all my bills and kept me here. You can't sleep on a piano". Two households (A and B) coped with high power bills by using *easy metres*. An easy metre is a power equipment they purchased from the New Zealand Post Shop. An employee from Mercury Energy came to their homes to install it free of charge, but when they moved houses they would have to pay to get it removed. With this type of electrical equipment, they do not receive power bills, but they buy their power first before using it. The procedure was explained by Laura (household A): "See like if we go up and get to use our card and get \$20 ... They swipe that through and we come home, swipe it through our machine. It's \$20 there". According to Laura, she found the *easy metre* cheaper than the previous method. They used to pay \$140 a month but with the *easy metre*, she now paid a lower power bill of \$80 a month.

5.3 Summary

The inadequate income of most of the 12 households studied has made it difficult for them to manage their expenditure. Housing was one of the seven expenditure items, which caused money problems for most households. The main strategies used by most of the households studied have been to seek help from the state, voluntary and other private organisations, and from family and friends. All 12 households studied had either used foodbanks, and/or food voucher(s) from Work and Income New Zealand (WINZ), and/or family and/or friends for food assistance within the past four years. Five households had used the services of foodbanks, such as the Sisters of Mercy and the Salvation Army. Six of the seven households who had not used foodbanks had received food vouchers from WINZ. Two households were actually taken to the Tenancy Tribunal (Tribunal) over the rent arrears by Housing New Zealand (HNZ). One household had an appointment to go to the Tribunal, while another household was threatened with being taken to the

Tribunal. The main reason given by the seven households who faced rent arrears was inadequate income. Strategies used by these households to cope with rent arrears included borrowing money, cutting down on food expenditure, asking for help from family, friends, the Citizen's Advice Bureau and WINZ.

Most of the households studied who had experienced or imagined a car or a washing machine breakdown were able to cope with the cost of repairs by using various strategies such as cuts in food expenditure, and/or saving money. Eight of the 12 households studied knew of people who used second hand goods and 10 of the 12 households had used second hand goods as a strategy for coping with the inability to afford to buy new essential household items, such as clothes and shoes, as well as other household items required to maintain a minimum standard of living, such as carpets. The lack of these items led to a decrease in the standard of living of the households concerned. The most common luxuries used by eight households were buying fast foods, while six households smoked. The cost of these luxuries was met from their food money.

The emphasis for most of these households has been on coping rather than managing. Inability to manage their money problems and reliance on coping strategies has led to a reduction in the standard of living of most of the households studied.

The next chapter seeks to assess the housing experiences of the low income groups in Auckland who were involved in this study.

Chapter Six

Assessing Housing Experiences of Low Income Households in Auckland

Bathroom and the cupboard doors, they are all locked ... and they have seen it. The wood is rotten and that, but they haven't done anything ... Like my bathroom, I've been waiting three years. My outside tap, I've been waiting four years. My cupboard doors, I've been waiting about a year now. A year and a half (Laura, household A: a State house tenant with five children).

Roberts (1995: 106) noted that international literature on the human right to housing has the following five consistent themes:

- Every human person has a right to housing. It is a fundamental right, not just a right to shelter. It is a right to dignity and citizenship.
- Exclusion from housing worsens other forms of cultural, economic and social exclusion.
- Lack of housing is the most extreme form of social exclusion.
- The excluded are often voiceless.
- The free market in housing does not give access to decent housing for a large part of the population. Public intervention is necessary to make housing available to low income families in sufficient supply, quality and accessibility.

The right of all New Zealanders to adequate housing has been recognised by article 25 of the United Nations Declaration of Human Rights. Most New Zealanders are well housed, but the same cannot be said of specific groups of low income households such as single parents, Maori and *Tagata Pasifika*, who are under-represented in terms of home ownership, and are currently paying a higher percentage of their income in rent. The concern of this chapter is to describe and analyse three housing issues, all of which have impacted on the housing and living circumstances of the 12 Auckland households of this study. The present chapter is therefore divided into three sections. The first

section looks at the experiences of 11 of the 12 households with regard to the advantages and disadvantages of rented housing provided either by the State or private sector. In the second section the aspirations of the 12 households about the Kiwi dream of owning a home are discussed and section three examines the experiences of the 12 households with regard to three aspects of the current New Zealand Government's housing policy namely Market Rents for State housing, the Accommodation Supplement policy and housing needs or difficulties. The chapter concludes with a summary of the main issues.

6.1 Rental Housing

The use of the term State housing in this study refers to rental housing provided by Housing New Zealand Limited (HNZ), New Zealand's largest landlord. HNZ was set up under the Housing Restructuring Act 1992 to own and manage the Crown's rental housing portfolio formerly owned by the Housing Corporation of New Zealand. In 1996, HNZ made up the largest group of State sector rentals comprising 19.4 per cent of rented dwellings in New Zealand. This showed a fall from the 1986 figure of 23.5 per cent (Statistics New Zealand 1998c). Other State sector housing such as that provided by other Government agencies and local council authorities are not covered in this study. The first section of this chapter describes the experience of renting from HNZ of 11 of the households studied. The second section compares the advantages and disadvantages of State and private renting.

6.1.1 Renting from Housing New Zealand Limited

Eleven of the 12 households were tenants of HNZ, who at the time of the interviews had lived in their current houses for periods ranging from one month to 12 years. Six of the 11 tenants had lived in their current state houses for an average period of seven years. Seven had previously lived in private rental accommodation. The experiences of 11 households with regard to what they liked and disliked about their houses and what they considered constituted a good standard of house are discussed and analysed.

When Philippa (household G) was asked what she liked about her house, she responded: "It's adequate, it's satisfactory. As far as I was concerned, it's functional. It serves the purposes of basic needs. That's it". She was of the view that compared to some other rentals, her HNZ house was of quite a good standard. Henry (household F) said he liked the design of his house. "and the position. It's very handy, very quiet". The houses of Philippa, Henry, and Georgina (household K) were part of 21 housing units in the area. Georgina stated that she liked the high ceiling of her house, which made it feel bigger and: "I like the big windows and I like living near the bush. It's quiet down here, no traffic".

Lisa (household H) liked where her house was located. She also liked other aspects of the house's design such as the lock up garage, fence at the back of the house and "good size bedrooms". Rebecca (household J) and Joyce (household D) liked the fact that their houses were two storeys. According to Rebecca she had always wanted a house that was "upstairs and downstairs". Joyce said: "I like the privacy that it gives. Because we have both the two rooms upstairs". When asked whether she was happy with her house, Amanda (household L) responded:

Yeah I wish it would grow a little bit. I mean it would be nice if it was just a little bit bigger ... But it's my little cottage and I do really like it, you know. I try and do my gardens ... I wish the lawn was a little bit flatter for us but we can't have everything. We've got a beautiful view ... Out the front we got a view for miles.

According to Amanda her two-bedroom house was far too small for her large family of five, but she could not afford a bigger house. She described how she allocated her two bedrooms:

So now there's me and three kids in one room. There will be me and four kids and their father in one room. So there will be how many of us: 3, 4, 5, 6 in one room ... after Christmas when he comes back. And one room for my son.

Amanda and her three kids shared one room while her 13-year-old son used the other bedroom. The size of her household would increase from five to seven if her partner joined her the following year, and her new baby was

born. This housing problem of overcrowding was also faced by household A where there were two large families sharing a three bedroom house. The second family was that of Laura's sister with her husband and four children who could not afford to rent their own house at the time of the interview.

Eight of the 11 households were not happy about the lack of maintenance of their houses by HNZ. The following statement by Linda (household H) shows that HNZ did not respond well to calls for maintenance and things that needed to be done in her house:

Well, the things I don't like about this house is that, we have asked Housing New Zealand so many times about the things that are broken down and the things that need to be done ... We asked for a fence over there in the corner because at that time we had four young children and it's very dangerous on that big curve over there but they said we can't do the fence.

When Linda was asked about maintenance work that needed to be done, she was unhappy about the length of time it took for HNZ to fix a problem. She stated:

Every now and then our oven, ever since we came in. It's like our oven breaks up every month. And it takes them about a week or two or three to come. Yeah for somebody to come up and yeah fix it up.

Henry (household F) did not like the lack of maintenance of the grounds at the exterior of his State house. According to Henry, HNZ promised to maintain the grounds three and a half years ago, but at the time of the interview in October 1998, nothing had been done. He said that it took HNZ two and a half years to fix a broken water main in the driveway.

At the time of the focus interview in August 1998, Joyce and her husband Edward (household D) mentioned a problem they were having with leaking in their house. When I interviewed Joyce in October 1998, she indicated that the problem had still not been fixed even though HNZ claimed to have done it. When I asked her whether an employee of HNZ went to the roof to check the leaking, she responded:

Yeah they went there to check it. In fact, they came twice. Somebody first came said oh! 'This is not our work. Another person will come and do it'. And that person came. He came and I just saw him doing that ... And I said oh! won't you do this thing again and he said I have done it.

Despite the fact that Laura had reminded HNZ constantly about a number of repairs that needed to be done in her house, and had gone personally to the office to see HNZ staff, the much needed repairs had still not been done when I interviewed her in September 1998. This is evident from the quotation at the beginning of this chapter. Households A, G and H had complained to HNZ about dampness and mould in their houses, mainly in winter, but HNZ told them that there was nothing that they could do about it. When Laura (household A) complained about the mildew, the cold and the mould, she was told to sleep with the windows opened at night and just have more blankets. There were only 2 of the 11 State house tenants (households J and L) who were satisfied with how HNZ responds to the maintenance of their houses. According to Rebecca: "if anything breaks ... they fix it up straight away". She gave an example last year when her windows were broken. HNZ came over straight away and fixed the problem. She paid for the cost of the repairs in weekly instalments of \$10 and sometimes \$5. Amanda (household L) was another that was happy with maintenance by HNZ: "They are pretty good ... Mind you its, they don't fix it themselves. They get contractors really ... So it's the contractors really, but in general no, they keep their houses".

While private landlords normally provide carpets and curtains, this has not been usual practice with HNZ houses. Georgina (household I) made the point that: "the fact that we have to provide our own curtains and floor coverings makes it a bit hard". She suggested that HNZ should provide carpets and curtains since they are now charging "market rents". Amanda (household L) and Rebecca (household J) shared similar views. Amanda pointed out that: "as far as the house itself Housing Corporation have got the ugliest houses ... with no attachments ... It's a bare basic house". She had no carpets, no garage or car port.

When asked about what made a good house, Linda's response was typical of all the other 10 State house tenants:

Well, what makes a good house is the house is good inside, people are happy to live in, and things are done on time. Like maintenance is done.

Especially, this time the rents are so high and the Housing [Housing New Zealand] they should attend to people's needs and maintenance quickly".

A house that is "good inside" as referred to above by Linda is what Henry meant by "a good living space, sufficient sleeping space, light, sun, warmth, all those things like that".

6.1.2 State and Private Renting: Advantages and Disadvantages

This section looks at what the seven households who had lived in both State and private accommodation perceived to be the differences, and then examines the reasons for their choice of either State or private accommodation.

Households F, K and L who had lived in both State and private rental accommodation found State housing to be more secure than private housing. Amanda (household L) stated: "Housing Corp [Corporation] you always feel like it's your home ... You just feel a little bit more secure. That was then ... it's different now". When I asked her why Housing Corporation of New Zealand (now Housing New Zealand) was now different, she indicated by her comments that the State landlord did not care any more about the situation of their tenants and that rent had become a problem for State house tenants:

Housing Corp. [Corporation] are [is] a lot more ruthless ... You don't pay your rent, they are much more ruthless. They are not the way they used to be ... The way they used to be was that they cared about the situation. Now they just want the money. If you don't have it, get out ... but of course the rents have never been so high ... When I ... got my first State house, it was something like \$35 a week. You know, so rent was never a problem ... I went to move from that house that I was in to a very small one bedroom flat, part of a private house was \$90. So the rent was still quite a lot higher in private ... That was when Housing Corp. had their very low rents. I think everybody was happy and families were a lot more comfortable.

Henry (household F) lived in a very nice house that he rented privately but the owners sold it and he had to move into another private house for a short time. Then he was able to get into his current State house. He commented: "I was fortunate to get it and I've got it now and I must keep it as long as I can. This is my only security". Henry preferred the State house to a private accommodation because of the security of tenure and the fact that they are

generally a little bit cheaper even with market rents. He continued: "They are a little bit cheaper than the other ones and that's why I tried to get here".

Lisa (household H) and Philippa (household G) found no difference between private and State housing. Philippa had lived in private accommodation a long time ago when she was young, moving around working, and before she married. When asked what she noticed as the difference between State and private rented housing, she responded:

Well, I think I have seen Housing New Zealand [houses] in places around Auckland, in Te Atatu and Panmure, Glen Innes and all those places and I always thought that they were horrible places. But you see this is my second experience of Housing New Zealand and both the houses I've had have been pretty good quality compared with [private houses] and here you can't tell the difference between the private homes here ... and the State houses.

According to Philippa, most of the private accommodation she had rented before, as well as the other private homes in her area were all of good quality. The difference noticed by Laura (household A) and Joyce (household D) with experiences of both private and State housing was that private landlords attended to problems quickly. For instance, when any home appliance in private accommodation was not working, the private landlord came in straight away and had the problem fixed. Joyce also observed that private landlords build their houses according to their taste:

Maybe they have been living there before so they make sure they do it according to their taste. So anybody that goes in there will also enjoy ... all those activities ... Like where we were living before, fridge was there. Washing machine was there. But when we got here, we have to buy our own.

As was experienced by Joyce, some private houses are furnished. Other household items that were provided in Joyce's house included a bed and a bedsheet.

Nine of the 11 State house tenants chose HNZ because State houses were cheaper at the time. As has been mentioned by Amanda above, rent was never a problem when she got her first State house, because Housing Corporation had very low rents. An experience with which Philippa (household G) concurred:

I found the rent really a little less. Well at the time ... When I moved into here, we were only paying something like \$80 per week. It might have been less. It is only during the last four or five years that the rent has shot up to \$200 a week ... When it shot up to over \$150, that was when it was stressful ... It got hard.

Henry (household F) also made the point that he found State houses a little bit cheaper than private houses, even with market rents. Linda (household C) had only lived in a State house. Her answer when asked why she had chosen to live in a State house was: "Because ... way back then, when we first married about 17 years ago, those were the cheapest houses ... You only had to pay 25 per cent of your income towards your rent". Thus, Linda preferred a State house because of the lower rent, but commented that: "now ... people are preferring private landlords rather than Housing New Zealand".

The main reason given by four of the seven households who preferred HNZ to private accommodation was the security of tenure. Amanda's response was characteristic of the others:

I definitely prefer Housing Corp because you know it's permanent ... I think if you rent privately, you never know. The landlord might want the house back, and so it's never stable. With Housing Corporation, you know that, that's all they do with their houses, rent them, so you are pretty safe.

Georgina (household K) preferred a State house for security reasons as well as the ease of being able to transfer to different cities. She and her first husband were living in the countryside. When her husband first became ill, they had to travel to Whangarei each day for treatment, and it was on medical grounds that they got their first State house. They lived in two different State houses in Whangarei, transferring from Whangarei to Auckland five years ago.

Georgina described the advantages of renting as:

It means that you don't have to maintain the property. That's the landlord's job ... to maintain it ... And being in a State rental house you've got security ... Because they don't put you out ... Whereas friends that I know who rent privately, when the landlord wants to sell the property, they've got to find somewhere else.

If they had a choice, households A and D said they would prefer private rental. However, Laura (household A) did not like the insecurity of tenure of private houses, which is evident in her statement: "I like private. The only

thing is they can sell. They can sell from under you. I don't want that unless Housing New Zealand, they can't do that". She agreed that there was more security with HNZ. According to Joyce (household D), "If we had a choice and enough money we prefer a private place". She gave an example of her friends in a four-bedroom private house, which was shared by her friends and two other people. She noted:

The rent is \$400 [per week] and they let it out to other people so he is using two rooms with his wife so he let ... two other rooms out. Those people are paying. I think they are paying \$120 or so ... So he was paying \$160 for the two bedrooms.

Joyce observed that the place was very neat, the environment was good, and there was a beautiful garden. The kitchen contained many things including a dishwasher.

6.2. The Kiwi Dream of Owning a Home

In her book *Building the New Zealand Dream*, Ferguson (1994) used the term "the New Zealand Dream" to refer to the goal that most New Zealanders have of owning a home. Between the late nineteenth century and 1990, New Zealand Governments provided support for the family home in the suburbs by building houses and giving subsidies as well as cheap and easily accessible loan finance. Rental housing to low income earners was provided by the First Labour Government, 1935-1949. In 1949 the National Government shifted the emphasis in housing policy from rental housing to supporting mortgage finance for first home buyers. Rental housing and subsidised mortgages continued to be the major instruments of housing delivery until 1990. In 1984 the Accommodation Benefit for beneficiaries and low income earners whose housing costs were above a certain limit, was added to those strategies (Smithies and Wilson 1993, Table 6.1). These policies meant that New Zealand achieved a high rate of home ownership. Kelsey (1995) states that around 70 per cent of New Zealanders (along with their banks) traditionally owned their homes, although the rate was much lower among single parents and Maori families.

Since 1990, however, the National Government's withdrawal of support for such a dream is evident in this passage:

In 1991 the government indicated that it would no longer provide housing for New Zealanders in need, with the exception of very limited groups. It would retain some of the existing public housing stock, but would not necessarily build new housing. And by adopting a system of rents based on a concept of market rents, the government would no longer attempt to influence the market, but would be led by it. (Ferguson 1994: 295, 296)

There has been considerable criticism of the housing policies of the National Government, especially the move to market rents and the lack of assistance to enable low income people, beneficiaries and disadvantaged groups like Maori to buy a home (McLeay 1992, Roberts 1992, and Waldegrave and Sawry 1994). Behind the Northland house fire that killed three children (Watkin 1997) lies a sad story of the failure of housing policy to provide adequate housing to Maori, and to many other New Zealanders who are living in unsafe and unsanitary conditions.

With regard to the New Zealand dream (hereafter referred to as the Kiwi dream) of owning one's home, 10 of the 12 households in this study responded that this was their aspiration. For two of the households (C and E) that dream had come true. Nine others still aspired to the dream, and one did not.

Sylvia (household E) was happy that she had a house that she could call her own. Both Sylvia and her husband were working at the time they bought their house ten years ago with a mortgage. The house was new when they bought it for about \$80,000 with a Homestart loan from the Housing Corporation of New Zealand (HCNZ). At the beginning the whole mortgage was with HCNZ but three years ago most of it was transferred to the ANZ bank. At the time of the interview in October 1998, their weekly housing costs of \$151 consisted of \$105 to ANZ bank, \$31 to HCNZ, and land rates of \$15 to Manukau City Council. The weekly housing costs of \$151 for this household (G) were the lowest of all 12 households.

Linda (household C) explained how recently her Kiwi dream had come true: "We will be getting one of the houses from the other side of the road soon. Hopefully by the end of December or early next year". She was referring to a house that was being built for her by the Habitat for Humanity (Habitat), a private organisation described on page 50. When she moves into her new house her mortgage of \$160 per week will include insurance and maintenance. Linda explained that the move into the new house was going to make a big change for her and her household.

It's like we are ... looking at a tunnel, at a big light at the end of a tunnel. Now we are sort of in the dark bit of a tunnel and there is a big light shining at the end of the tunnel for us.

Linda also explained that the Habitat committee had selected them because: "They said the family that really needs a house ... is like us we have four children and I am the only one that works and they mainly look at the low income people with a lot of children". Three Habitat houses were already completed in her area. She was full of praise for Habitat who had already completed 68 houses for low income households in New Zealand.

That which prevented eight of the nine households from participating in their Kiwi dream was their inability to afford to pay the deposit and for one household (D) the main reason was the fact that they were not yet permanent residents. The feelings and experiences of four of these households (A, F, K and L), as well as that of household D are as follows. Laura (household A) while holding on to her Kiwi dream doubted if it would become a reality.

It's all right if you can afford it ... I'd love to buy my own home ... You know, we are renting and it's just dead money ... I mean that's just it. I can't even afford to budget, to save to get a regular warrant ... So I wouldn't be able to save just to get a deposit for a house.

Asked if she was participating in the Kiwi dream, Georgina (household K, aged 55-59), responded:

Well sometimes I think I would like to own my home but I know at my age now it's an impossibility ... Because there is no way I could pay off a mortgage ... There is no way I'd ever save enough for a deposit for a house.

Asked what the Kiwi dream meant to her, she repeated that the Kiwi dream of owning a home was not a possibility so she did not think about it. She was, therefore, happy renting.

When Henry (household F), who had owned a house before, was asked if he was participating in the Kiwi dream of owning a home, said he had hoped to buy a \$50,000 house in Wanganui with a home loan of \$45,000 from HCNZ. According to Henry, the mortgage would cost him about \$69 instead of \$210 he was paying as rent in Auckland. To be able to achieve his dream of owning a home in Wanganui where he has friends, Henry said he would need a total of \$10,000 made up of \$5,000 deposit, \$2000 to meet removal costs from Auckland to Wanganui, and \$1000 of legal fees. While he was trying to make his dream come true, he was prevented from doing so by having to find money for the deposit.

It's an impossible dream at this stage because I don't have the deposit ... To put a deposit on a house and of course now because I'm 62 I'm too old to qualify for a lot of mortgages. The only mortgage I can qualify for is the Housing New Zealand one, because they will lend on a lower rate at a longer term should I say. But the other banks and things like that won't lend me money for a long term. They will lend it to me for two or three years but it has to be all repaid by 65, for you know this is an impossibility for me.

Asked what the Kiwi dream meant to him, Henry responded:

I would like to own a home for security more than anything else. At my stage of life ... I have always owned a home until the last since 1985 when I ... lost my house to pay bills and things like that and for the last years I have not owned a home and it has a dreadful effect on you. You feel insecure.

When asked to describe her feelings and experiences with regard to the Kiwi dream, Amanda replied:

I have a dream of owning this house ... And doing things to it ... I rang very carefully one day, very anonymously, in case they thought I wanted to buy it and they were gonna put the rent up or something ... I wouldn't mind knowing how much they want for it ... I would hate to be indebted to a mortgage. Because I am just not financial enough and don't know much about the future ... It's not a stable thing. At least with rent you are reasonably safe.

Amanda's dream was to own her current HNZ house and to build on it but she could not afford to pay the mortgage. She was of the view that for a mortgage you needed to have a stable income, be properly married and to

have a good partner who was dedicated to a mortgage. The main thing preventing her from owning a home was the deposit. Amanda summarised about what the Kiwi dream meant to her: "It means it'd be a dream forever. It's nice to have that dream though".

Joyce's (household D) dream of owning a house is evident in this response:

We like it because it's better than renting a house ... with all the conditions it entails. So there is opportunity for us. Instead of ... just for paying a rent, you know that if you have your own house, any money you pay, you are paying it to buy it ... It's our aim, although we are not qualified yet.

However, they did not qualify for assistance at this time, as their application for permanent residence had not yet been approved. They hoped, nonetheless, to pursue their dream of owning their own home as soon as permanent residency was granted.

Philippa (household G, aged 69, a widow) was not participating in the Kiwi dream of owning a home, because of her age, lack of money to finance a house, and marital status. While she had participated in the dream once, she did not now. She and her husband had owned a home on a five-acre patch on a hill overlooking the Kaipara Harbour, "That was my dream actually. I was happy there", but when her husband had a stroke, they sold their house and moved to Auckland to get closer to a hospital. When asked what the Kiwi dream meant to her, she replied: "It doesn't mean anything to me. It's not significant to me now ... I don't even dream about it, put it that way ... You know I'm too old to do things that I was able to do 20 years ago".

6.3 Housing Policy Issues 1990-1998

Between 1990 and 1996 the New Zealand Government's housing expenditure on housing provision⁴ reduced drastically from almost 100 per cent to about three per cent, while for the same period, Government housing expenditure on income supplementation⁵ increased from almost zero per cent to 97 per cent (Table 6.1, page 130). These figures show that the housing reforms of the National Government have moved away from the provision of public housing to income supplementation. The policy of income supplementation under the National Government is to provide assistance exclusively through the Accommodation Supplement (AS), Special Benefit and Tenure Protection Allowance to increase the ability of households to afford housing supplied at market rates. With 97 per cent of all housing assistance (84 per cent on AS, 11 per cent on Special Benefit and three per cent on Tenure Protection allowance) in 1996 and with only three per cent on housing provision involving eight assistance items (Appendix 1), the Kiwi Dream or goal of home ownership seems unlikely to be realised under the current system of housing reforms for WINZ beneficiaries, low income earners and disadvantaged groups such as Maori and *Tagata Pasifika*. A study conducted by the Labour caucus in 1994 found that housing agencies had reported a marked increase in demand for emergency housing which was not being met fully by the current housing reforms (Scollay and St. John 1996).

The next sections will examine the knowledge levels of the 12 participants of this study with regard to the Government's Market Rent and AS policies, and will consider the impacts of these two policies on the 12 households. In

⁴ housing provision refers to 14 assistance items shown in Appendix 1, all of which involve:

- provision of subsidised loans (that is, loans at below market rates); and
- provision of subsidised state rental houses at below market rents.

⁵ Income supplementation refers to the following four items of assistance, which is also shown in Appendix 1:

- Accommodation Benefit 1990-1993
- Accommodation Supplement 1994-1996
- Special Benefit (80%) - 1990-1995
- Tenure Protection Allowance - 1994-1995

conclusion, the experiences of four households with regard to emergency housing will be discussed.

Table 6.1

*Expenditure on public housing provision and income supplementation
1990-1996*

<i>Year</i>	<i>Annual expenditure on public housing provision (\$000)</i>	<i>Annual expenditure on income supplementation (\$000)</i>
1990	1,231,241 (99.7%)	3,631 (0.3%)
1991	1,434,631	3,756
1992	478,509	246,375
1993	302,781	282,351
1994	178,898	433,448
1995	57,320	580,691
1996	19,600 (2.9%)	648,455 (97.1%)

Source: Compiled from Ministry of Housing (1997)

6.3.1 Market Rents for State Housing

Chile (1997) notes that the introduction of market rentals on State housing has been the primary means of meeting the commercial objective of Housing New Zealand (HNZ). Between 1 October 1991 and 30 June 1993, the market rent charges went up in stages (Luxton 1991). Since 1 July 1993, HNZ charges full market rents for all State houses. This concept of market rents is determined by a process of comparison with rents, which other landlords charge for similar properties in the same area, together with relevant statistical data. Thus, rents paid for a State house is similar to the rents paid in the private rental market for the same size of house in the same area. This means that HNZ tenants and Community Housing agencies have had to pay more for their rents since 1991. Kelly (1998: 17) notes that "Figures supplied by Housing New Zealand show that by 1997 their rents had risen by up to 223 [per cent] since 1991 - that is, an average \$77 a week to an average \$249 a week". The Market Rent policy had been implemented for five years at the time I interviewed the 12 households in 1998. The Market Rent policy was a

shift in housing policy from income related rents (at below market rents) to market rents. The first section describes the knowledge the 12 participants of this study had of the Market Rent policy, which took effect in 1993 when the Accommodation Supplement (AS) was introduced by the National Government and the second section considers the effect the Market Rent policy had on each of the households. The final section discusses participants' views of fairness of the Market Rent policy.

All 12 participants were asked the question: "Do you understand what the Government's Market Rent policy means?" Seven of the 12 participants had knowledge of the Market Rent policy, and the best definitions were given by Georgina (household K) and Henry (household F). According to Georgina: "It means we pay the same as houses of equal value in that area". Henry's response was more detailed:

that they [HNZ] assess the rentals on these properties based on the rents ... charged for comparable private residences in the area ... In fact I rang them about this at one stage complaining here because our rents were too high ... they were basing the rents on totally the wrong area.

The previous rent of Henry and the other 20 Housing New Zealand (HNZ) housing units in that area were \$225 per week, an amount based on an area north of Henry's. Henry's rent and those of his neighbours were amended to \$210 per week, after he had given a correct description of the area to HNZ. He outlined how market rents are charged by HNZ:

I know because I sat on a design committee for Housing New Zealand, a market research thing and I know how ... you know each bedroom they charge a certain amount a week. The garage they charge \$20 a week and all ... these various features that you have or benefits should I say that compounds into the rental.

Henry noted his experience of both income related and market rents:

I paid \$89 a week for that because that was related to the benefit that I received at that particular time. That was very helpful, as I knew exactly where I was, whereas this here I am paying 60% of my income on rental.

Thus while under the previous income related policy of the Labour Government Henry paid only 25 per cent of his income on rent, at the time of

interview in October 1998 and under the National Government's Market Rent regime, 70 per cent of his income was spent on rent.

Five of the participants had no knowledge of the Market Rent policy. When asked whether she understood what market rent meant, Amanda (household L) responded: "Market rent no, to me I don't know". However having had the Market Rent policy described to her, she gave an example that showed that her market rent was lower than that of a private house near her State house: "I know of a lady around the corner has got a two-bedroom house on a very small section, smaller than this and she's paying \$245". The only difference was that this house was newer than Amanda's.

With the exception of the home owner (household E), the Market Rent policy had affected all eleven of the other households financially as they had to pay more in rent than during the period prior to 1990 when State house tenants paid income related rents under the Labour government. When all 11 households studied were asked how they felt the Government's Market Rent policy had affected them, all complained of the high rents they were paying at the time of the interviews during September to November 1998. High rents are evident in the following statements by Henry, Philippa, Linda and Amanda with regard to the percentage of their income spent on rent. Henry (household F) responded:

Well I suppose it has, yes because I was spending a great percentage of my money, my income on accommodation and for the foreseeable future that is what I am going to be doing ... You know, you are spending far too much money on a roof over your head. That is why I am endeavouring to buy a house somehow.

Philip (household G) said: "at the moment I think I'm [paying] nearly 70 per cent". She was referring to the percentage of her income that she spent on market rent. According to Linda (household C) her rent used to be about \$89 per week, but "now it's triple the amount that we used to pay". Amanda (household L) stated that the Market Rent policy had broken up her household. A sole parent living with her four children, she was expecting another baby in three months time. Her partner was not staying with her

because of a row two years previously over rent arrears. She described her rent level and household size as follows:

just on half of my income goes on rent and ... when the kids' father comes back it will be half of his income ... For a family of ... I keep forgetting to count us 2, 3, 4, 5, 6, 7. For a family of 7 we will have to live on what \$200, you know and it's not going to work, but I'm going to try and make it work.

The situations of these households, as well as the Outgoings-to-Income ratios (OTIs) and the Residual Income (RI) of the 12 households shown in Table 4.1 are consistent with those of most earlier research discussed in Chapter 2 which used the OTI to measure housing affordability among low income households in Auckland and other parts of the country.

High market rents meant that all 11 households had not enough income after paying their rent to meet other expenses. Georgina (household K), Laura (household A) and Lisa (household H) commented about their Residual Income when asked about how the Market Rent policy had affected them:

- | | |
|----------|---|
| Georgina | It has made a big difference. It means that we have less money to spend on basic things. We have to look elsewhere to afford to eat. |
| Laura | The market rent? It has affected us financially ... What ... actually we are paying on rent could have been spent on something else ... May not have been food, could have been bills ... |

Lisa said she spent a lot of money on rent so she could not afford to purchase good quality household items such as a new fridge-freezer, and a new washing machine. Joyce (household D) was also of the view that the high rents they were paying must be justified, in the sense that HNZ should respond to problems of maintenance reported by its tenants immediately:

We are paying \$170 and we don't even enjoy that money ... But when you are paying, even if they put \$200 and they give you the amenities ... and they let you enjoy the environment, and when you have any problems they come immediately, you know. Then you will be happy.

The final part of this section discusses the responses of the 11 State house tenants on the fairness of the Market Rent policy. All of these HNZ tenants thought that the Market Rent policy was not fair. Eight of the 11 State house tenants studied said that there should not be market rents for beneficiaries, the unemployed, and low income people, because they could not afford to

pay it. The following were the responses of Amanda (household L), Philippa (household G) and Henry (household F) when asked whether they thought the Market Rent policy was fair.

- | | |
|----------|---|
| Amanda | No it's really not fair. I mean it was just a blanket thing. They did not look at people individually ... They just lumped everybody into it. There are people worse off than me ... People who had a three or four bedroom house and when their rent went up their rent doubled ... I mean isn't that pathetic. That's not what these houses were for. They weren't for money making. |
| Philippa | I don't think it's fair to expect ... people on low income to pay what someone on a higher income can pay for the same accommodation. I mean these are State houses. They were based on ... a social policy ... that did take into consideration the social concerns when they started the State houses, but that's no longer there. |
| Henry | I think for people in genuine need it is not fair at all, but if they are going to rent houses to everybody and sundry, earning people, this that ... And the other thing, people earning good money must expect to pay [market] rent, but as a beneficiary ... on low incomes yes, I think that they do need some help from the State, but unfortunately we're not going that way anymore. |

Laura (household A) also pointed out that though she was paying market rent but her State landlord was not providing her household with sufficient maintenance to which they should be entitled to.

6.3.2 Accommodation Supplement

The Accommodation Supplement (AS) is a housing allowance which was introduced on 1 July 1993 (by section 10 of the Social Welfare Reform No. 3 Act 1993) to make up for the difference between market rents and the ability of low income households to pay. Since then it has become the main form of housing assistance in New Zealand. As has already been mentioned above, 84 per cent of all housing assistance in 1996 was through the AS (Appendix 1). The AS is a weekly cash subsidy targeted by income and assets. It is paid to low income people to assist with rent, board, or home ownership costs. The AS is administered by Work and Income New Zealand (WINZ), and allows tenants to find housing in either the State or private market. According to the Department of Social Welfare (1997) the AS was paid to 94 per cent of WINZ beneficiaries and 6 per cent of low income earners not receiving a main

benefit. As shown in Table 6.2 (page 137), the AS is paid according to benefit type, family size, and region.

All 12 of households studied understood the Accommodation Supplement (AS) as money given by the Government to help low income people with their rent or mortgage. I asked each of the participants to define the Government's AS. The definitions given by Amanda (household L) and Philippa (household G) and Linda (household C) were all related to their situation as State house tenants. Amanda's response was: "depending on your income ... and your rent ... the government will give you a benefit to help you". Similar responses came from the other 10 State house tenants. Philippa elaborated on Amanda's definition:

the Accommodation Supplement is ... the grant given by Income Support to enable you to pay your market rent. That's what it amounts to ... in the end to pay your rent. For instance here is my super [National Superannuation] and because ... it couldn't pay my rent on its own ... therefore they give me accommodation rental [AS] to enable me to stay in this house and still even with that accommodation rental [AS] it is still a tight squeeze to stay in this house.

Box 6.1 (page 136) shows the formula and the steps used in calculating the Accommodation Supplement. Linda made the point that the AS paid by WINZ was not sufficient to meet the market rent charged by HNZ:

They think they can increase the rent and then we get helped from what they call Accommodation Supplement. But to us it's nothing. No it's like they increased the rent for about \$100 and then they give you AS of only \$30 or \$40.

Georgina (household K) and Henry (household F) knew that the maximum amount of AS one would receive in Auckland was \$100. Henry noted the difference between the maximum AS paid out to WINZ beneficiaries in Auckland and to the rest of New Zealand:

I know that I get \$100 a week and in Auckland ... it's the top amount ... because rentals are so high in Auckland. I don't know on what basis they give it to you. It's obviously income related. I know that if I go to them in Wanganui I can expect to get ... a lower I think it's about \$60 or \$65 a week, but I'm not sure about that totally.

Box 6.1 The formula and steps to AS entitlement calculation

- For renters the formula for the AS is $0.70(R - 0.25Y)$ where R is gross rent and Y is gross household income.
 - Let's go through this hypothetical case: to calculate the AS for Janet, a sole parent with one child (that is, for two people) on a Widows Benefit and Domestic Purposes Benefit, the AS payable is worked out this way:
1. Appendix 2 shows that there are different entry thresholds for rent or board at 25 per cent and mortgages at 30 per cent. This means that WINZ beneficiaries and non-beneficiaries would be eligible for AS when they spend 25 per cent or more of their relevant net income on rent or board or 30 per cent or more on home ownership costs. Find the entry threshold level, which is 25 per cent of Janet's income on rent (\$65 from Appendix 2).
 2. Once the threshold of 25 per cent is crossed, eligibility is dependent on:
 - a) an assets test: "for a single person, cash assets must not exceed \$8100 and for a married couple, cash assets must not exceed \$16,200" (Smyth 1998: 15). Janet is eligible for the AS because her cash assets are below \$8100.
 - b) total accommodation costs:
 - Rent (take for example a rental amount of \$200 per week for Janet)
 - 62 per cent of board or
 - Total of mortgage principal and interest payments, rates, house and mortgage protection insurance, lease payments and household maintenance costs (Social Security Act section 61E to 61EC; NZISS Supplementary Allowances and Grants Manual Chapter 20).
 - c) family size and family composition. In Janet's case: two persons.
 - d) location: the amount of AS received by Janet in Auckland (Area 1) is higher than if she were living in Areas 2 or 3 (Table 6.2; Appendix 2).
 3. The AS paid is 70 per cent of the gap between the threshold and the cost of rent or board or mortgage. Recipients (for example Janet) will then need to pay the remaining 30 per cent of their accommodation costs. Subtract \$65 from \$200 = \$135. Multiply the result by 0.70 (subsidy rate) = $\$135 \times 0.70 = \94.50 . The AS, therefore, for Janet, a sole parent with one child in Auckland would be \$94.50. Even though the maximum amount payable to two people in Auckland is \$115 (Table 6.2, Appendix 2), a sole parent would receive only \$94.50.
 - For other WINZ beneficiaries the same procedure is followed, while for low income earners not earning a Benefit (non-beneficiaries) the relevant threshold used to calculate the AS is the Invalids Benefit (Appendix 2).
 - The number of variables such as threshold, cash assets, subsidy, rent and family size that are involved in working out government housing assistance makes the AS an extremely complex scheme to administer (Smithies and Wilson 1993).
 - Low income people who are not paying rent or board or mortgage and may have the greatest housing need such as those living in garages and caravans are not eligible for the AS (Smithies and Wilson 1993).

Table 6.2

Accommodation Supplement maximum weekly payments 1 April 1998 by region

Household Size	Auckland (Area 1) ¹	Christchurch Hamilton Hastings Napier Nelson Palmerston North Rotorua Tauranga Wellington (Area 2) ¹	Rest of New Zealand (Area 3) ¹
One person	\$100	\$ 65	\$45
Two people	\$115	\$ 75	\$55
Three or more people	\$150	\$100	\$75

¹ As in Appendix 2

Source: Compiled from New Zealand Income Support Service (1998).

As it can be seen from Table 6.2 above, as Georgina and Henry are single persons the maximum amounts of AS they could receive was \$100, but the maximum amount of AS that two or more persons could receive is between \$115 and \$150. The maximum amount of AS that Henry would be entitled to if he moved down to Wanganui was \$45 (Appendix 2). Sylvia (household E), the only home-owning household in the study noted that they use the AS to help them out with the payment of their two mortgages with Housing Corporation of New Zealand and ANZ bank.

All 12 households were asked whether they knew of people who made use of the AS. Nine of them said they knew of many people: friends on low income, low income families, beneficiaries and low income workers who receive the AS. Georgina was aware that most people use the AS: "even people on low incomes that are working". The following were the responses of Linda (household H), Amanda (household L), and Philippa (household K) when asked if they knew people who use the AS.

- Linda Well, I think most of the low income families have got Accommodation Supplement from Income Support. Like I said it's nothing compared to the high rents that people are paying now. Accommodation Supplement is nothing compared to the money they [Housing New Zealand] have increased the rent with.
- Amanda Without it I don't think anyone would survive at all I mean. Like me it makes up half of my rent ... Why don't they just drop the rents down, because there's not just beneficiaries, there's people working that can't always qualify for accommodation [supplement] because their wages are just a little bit too high.
- Philippa Most of us round here ... There's 21 units ... There must be about 10 people on superannuation like me, and they are all on supplementary income [Accommodation Supplement] ... Then there are the solo parents who are not working and have little children.

Ten of the 12 households studied received the Accommodation Supplement (AS) at the time of the interviews in September to November 1998. These included all eight beneficiaries (five single parent and three superannuitant households) whose AS comes automatically with their Benefit, as well as two low income-working households who had to apply to Work and Income New Zealand (WINZ). As shown in Tables 5.1, 5.2 and 5.3 of the previous chapter, all five single parent households and one superannuitant household did not know how much AS they received. This is evident in the following statements made by Amanda (household L) and Georgina (household K) when I asked them how much they received as AS:

- Amanda I think it's just a little over \$100. I'm not sure. Every time the rent changes it changes. If the rent goes down, it goes down ... Once they see what your rent is, they just work it out and stick it in your Benefit.
- Georgina I think I get about \$80. I'm not sure. I can't remember now.

Lisa (household H) said that in a letter she received from WINZ a while ago WINZ said her AS was \$67 a week. When I asked her how much AS she was receiving at the time of the interview she didn't know: "because they [WINZ] had not sent me a letter saying how much it's gone up to".

When I asked Philippa (household G) and Linda (household C) how they first received the AS, they responded:

- Linda When the rents went up, they introduced this AS from Income Support.

Philippa I think it was when the rents started going up ... And that's when ... they [Work and Income New Zealand] said to us, "well you are entitled to this and so". That was Income Support. I didn't even ask for it. Every year the Invalid Benefit was reviewed and they would come out with these pamphlets and say, well you're entitled to that and that and to this. And so you automatically went along with the flow of the thing. But I think it's reached the saturation point now ... where it's no longer funny and it's not adequate either.

Henry (household F) and Joyce (household D) did not know anything about the AS prior to moving to their current State houses. Henry described his experiences of how he came to know about the AS:

When I came to Housing New Zealand the lady that interviewed me ... said to me. At that particular time I was earning, it was before I was made redundant from this job. I was earning money and she said to me: "Do you qualify for accommodation supplement?" I did not know about it ... I asked her and she explained to me about it. So then when I had to go and get it, I had the Unemployment Benefit eventually and I was able to get the Accommodation Supplement then.

Joyce (household D) stated that they had been in their current State house for three months before they had applied for the AS. A Pakeha friend and the Sisters of Mercy had also told them of the Accommodation Supplement. Laura (household A) had enquired about the AS but had been told by WINZ that her household did not qualify because of her husband's income. Mitchelle (household B) had not applied for the AS. Mitchelle had not applied as she had mistakenly "thought Accommodation Supplement it's only for food, for food parcels".

6.3.4 Housing Needs or Difficulties

The findings of the housing issues discussed so far in this chapter and Chapters 4 and 5 have raised concerns about the following housing problems faced by the 12 households at the time of interview from September to November 1998:

- Eight of the 11 State house tenants were dissatisfied with the lack of maintenance of their houses by HNZ and/or the long delays in carrying out the necessary repairs and fixing up the much needed repair works in their houses.
- For 10 of the 12 households, the Kiwi dream of owning a home was not a reality because of lack of housing finance.

- Eleven of the 12 households were State house tenants who paid market rents of between 32 and 70 per cent of their actual income in rent. The housing experiences of these households demonstrated that market rents were unaffordable, especially for six of the households who paid between 50 per cent or more of their income in rent.
- Ten of the 12 households studied were recipients of the current Government's Accommodation Supplement, "the primary instrument for delivering housing affordability assistance in New Zealand" (Ministry of Housing 1996: 40). O'Brien et al. (1997) noted that: "The number of families receiving accommodation supplement, is, in fact, an important indicator of serious housing need, as it highlights the extent to which low income families are needing assistance because of the high rentals". Six of the 10 recipients of the Accommodation Supplement did not know how much they received and during a focus forum discussion to discuss the housing and living circumstances of low income households in Manukau City in August 1998, Sister Anne Hurley commented:

just how the accommodation supplement is [determined], people don't know how much they get and that's a mystery. Whereas before you knew what your rent was when you paid it. But now it's all a bit secret and confusing, and it's hard to come to grips with.

This criticism of the AS has also been observed by Smyth (1998: 21) who noted that:

the method of calculating the AS is complicated and unknown to most recipients. Currently DSW [Department of Social Welfare] is investigating the feasibility of publishing AS tables from which recipients can calculate the size of their expected AS entitlement - dependent upon beneficiary status, income and housing outgoings.

Amanda (household L) and three of her young children live in one bedroom, while in household A, two families of four adults and nine children lived in a three-bedroom house. Using the Ministry of Housing's (1996) rough measure of overcrowding, no more than three people per bedroom, households A and L were overcrowded.

The rest of this section focuses on the experiences of four households with regard to emergency housing.

Emergency housing

Emergency housing refers to temporary accommodation provided by emergency housing agencies, women's refuges and caravan parks. "Greatest

demand for emergency housing in recent times has been in Auckland" (Ministry of Housing 1996: 34). The latest estimate according to Kelly (1998: 18) "is that around 15,000 people now live in caravan parks, the majority in Auckland".

When Linda (household C) was asked why she had to go to an emergency house, she responded: "the only way we could get a Housing New Zealand (HNZ) house faster here in Auckland is to live in an emergency house". Linda observed that six years ago people in emergency houses were given priority in allocation of houses by HNZ but commented that the current situation now was different because "they have cut down on those emergency houses now". Linda told of her experiences in the emergency house at Otara:

When we first had the emergency house, we were told to live in Otara. However, when we went there, they were fixing the house. So we had to go to another place. It's like a shed at the back that we live in ... And we stayed in there for about two weeks until the room that we were supposed to go in was fixed up.

The emergency house at Otara, which Linda and her household were in was provided by Friendship House in Manukau City. While in this emergency house, they lived in one room and had to share all facilities in the house with the other families. They lived there for six to seven months before they got a State house.

Rebecca (household J) had stayed at the Women's Refuge in Henderson (Waitakere City) for six months in 1997, after her partner had thrown her and their two children out. She paid \$120 per week for one room in the house that accommodated four other women. The women shared all the facilities in the house. Rebecca was unable to stay at the Women's Refuge beyond six months because of rules and she had to move from there to an emergency house provided by the Salvation Army in Manurewa (Manukau City). She lived in there for three months from September to November 1997, and paid rent of \$125 per week for one room. Rebecca preferred the emergency house to the Women's refuge because there was more freedom and she was also given free bread and cakes. She then rented a house with a friend who had also stayed at

the emergency house and staff at the emergency house helped her to get the house by signing forms with HNZ. At the emergency house, Rebecca said she had done some courses such as how to budget, and was also helped to save money for paying bond and rent for a State house.

Joyce and her husband Edward (household D) had lived in an emergency house in Papatoetoe (Manukau City) also provided by Friendship House. They were forced into this situation because Housing New Zealand (HNZ) had not done the necessary repairs on the house they were to move into in February 1998 even though they had paid the bond for two weeks in advance. The one room in the Papatoetoe emergency house cost \$120 per week. The six families there shared one kitchen, two toilets, one sitting room and other facilities. Joyce did not find this experience convenient:

When somebody is cooking, you wait, because at the same time ... about three people can be cooking, or even one person using all the stove space ... So you have to wait. Even to wash plates you have to wait.

During the two weeks period that they lived at the emergency house they went regularly to HNZ "every time to remind them" of the repairs needed before their current State house became ready for them to use.

Desmond, his partner and four children are Tongan (*Tagata Pasifika*) and were involved in the pilot study. Their main source of income was an Unemployment Benefit. Desmond had been unemployed for six years. They had lived in their new house provided by Habitat for Humanity for three months at the time of the interview in September 1998. Their mortgage was \$150 per week for a four-bedroom house compared to the rent of \$245 they paid previously for a HNZ three-bedroom house in Manukau City. Desmond told of his experience as an overstayer:

The Immigration [New Zealand Immigration Service] found out I am working here in New Zealand. They came over to my work place, removed me out of the place and told me to go home. So that time we didn't have any money ... to pay for our rent, to pay for food. So we relied most ... on the family and there was not enough space on those families property. So we used to ... I remember really one week, we roaming around in our car with our children. We sleep in the car and we just bath on a public car parking.

We spent the night in the car park. Before that and after that that we came around to find the caravan car park.

They lived in the caravan car park for one month and paid \$60 per week. Luckily for them they had Family Support for the children, and that is what they relied on at that time. From the caravan park they moved to Hamilton where they got a seasonal farming job. They were in Hamilton for one and a half years. They came back to Manukau City when their permanent residency in New Zealand was approved. They lived in a Salvation Army emergency house at Manurewa for two months before moving to a HNZ house in Mangere.

6.4 Summary

As stated earlier, the third objective of this study was to further understand the experiences, feelings and expectations of specific groups of low income households in Auckland with regard to the following three housing issues:

- the advantages and disadvantages of rented housing provided either by the State or private sector
- their aspirations with regard to the Kiwi dream of owning a home and
- three aspects of the current New Zealand Government's housing policy since 1990 namely Market Rents for State housing, the Accommodation Supplement policy, and housing needs or difficulties.

All three housing issues are interrelated and were since 1990 affected by the shift in housing policy from public housing provision to income supplementation. For most State house tenants their houses provided the basic needs of shelter and compared with private renting, State houses provided cheaper rents and security of tenure. Rental levels, however, had become a problem for most households studied. One household had benefited from the Homestart programme of the previous Labour Government to buy a home. The Homestart programme was cancelled by the National Government in 1990. Two households (one involved in the main study and the other in the pilot study) had achieved their Kiwi dream of owning a home, through the assistance of Habitat for Humanity, a private organisation described on page

50. For most of the ten remaining households, home ownership was not a possibility because of lack of access to housing finance.

The current Government's Market Rent and Accommodation Supplement policies had been in place for five years when I interviewed the 12 households in the cities of Auckland, Manukau and North Shore. Half or more of the 12 households experienced the following housing needs or difficulties:

- Eleven of the 12 households were State house tenants who paid market rents of between 32 and 70 per cent of their disposable income in rent. By comparison the average New Zealand household paid only 18 per cent of its income on housing costs. The housing experiences of most households studied demonstrated that market rents were unaffordable, especially for four single parent and two superannuitant households who paid 50 percent or more of their income in rent.
- Six WINZ beneficiary households (five single parent and one superannuitant households) lacked knowledge about how much Accommodation Supplement they received.
- For most of the households studied, home ownership was not a reality because they were unable to access housing finance from personal savings, the Housing Corporation of New Zealand, banks and other private financial institutions.
- Eight State house tenants (four WINZ beneficiary and four low income-working households) were dissatisfied with the lack of maintenance of their houses by Housing New Zealand.

The evidence revealed in this chapter has shown that most of the 12 households studied were not adequately housed because of difficulties of housing unaffordability and unacceptable housing maintenance by Housing New Zealand.

Chapter Seven

Conclusion

Every person has the right to find in the world around them all they need for life and for progress. The earth's goods must be divided fairly and this right of every person to a just share comes first. Even the right to private property and the right to free enterprise must yield to justice. All other rights must help - not block - this basic right of every person. (The Development of Peoples, Pope Paul VI, cited in Thomas 1996: 4)

This concluding chapter draws together the threads of the arguments developed in the preceding chapters on the income allocation, living standards, housing and living circumstances of low income households studied in the Auckland region. The chapter is divided into four main sections. The first section summarises the study and includes a restatement of the objectives of the study and a discussion of the important findings. The second section explores the implications of the study and includes highlights of these for other researchers, limitations of the study and implications for social policy and practice. Section three covers suggestions for further research while section four offers some recommendations.

7.1 Summary of the Study

This study set out to ascertain the experiences, feelings and expectations of specific groups of low income households with regard to their income allocation, their living standards, their housing and living circumstances and the coping strategies they used to live on a low income in Auckland. The specific objectives were to:

- describe the standard of living and quality of life of groups of low income households in Auckland with regard to their disposable

household income and to ascertain whether there was evidence of material deprivation and if so what disadvantage indicators existed and whether these factors led to social exclusion.

- describe how the households allocate their income and cope or manage in situations such as when faced with budgeting problems, rent arrears, a car or a major home appliance breakdown, lack of food and acquisition of household items.
- find out their experiences, feelings, and expectations with regard to the following housing issues: the advantages and disadvantages of rented housing provided either by the State or private sector, their aspirations with regard to the Kiwi dream of owning a home; and with regard to three aspects of the Government's housing policy namely Market Rents for State Housing, the Accommodation Supplement policy and housing needs or difficulties.

Analysis of data collected through focus group discussions, questionnaires and in depth interviews clearly indicate that the social impact of seven years of Income Support policies from 1991 to 1998, and five years of imposition of Market Rent and Accommodation Supplement policies from 1993 to 1998 has led to poverty, hardships and a reduction in the standard of living of the 12 households involved in the study. The findings of this thesis presented in Chapters 4 to 6 highlighted the following disparities between the 12 low income households involved in this study and the average New Zealand household. It was found that:

1. Ten of the 12 households studied had incomes below the standard of adequate household income used in this study (Oppenheim and Harker 1996) – that is, a residual or after housing disposable income of \$355 (half of the average disposable income of the average New Zealand household). The use of foodbanks and food vouchers by all 12 households studied and help sought by most households with household items and rent arrears demonstrate inadequate income.
2. Most of the households studied lacked commonly accepted household items (microwave oven, car, heating appliance, clothes dryer, freezer and video recorder) which are owned by the average New Zealand household. Ten of the 12 households studied had used second hand goods as a

strategy for coping with the inability to afford to buy new essential household items, such as clothes and shoes.

3. Most of the households studied did not enjoy a standard of living comparable with that of the average New Zealand household, because deprived of their economic and social rights, they were unable to participate in and belong to their communities. Seven beneficiaries and the partners of the four low income-working households are excluded from the labour market because of the young kids they care for and/or disability in the household, age and/or lack of qualifications. The low level of Benefits and supplementary payments received ensured that all 12 households studied, most of whom are women headed, immigrants and of ethnic minority origin are excluded from full participation in their communities and New Zealand society.
4. All 12 households studied allocated a much higher proportion of their weekly income to housing than did the average New Zealand household. Housing was one of the seven expenditure items, which caused money problems for most households. The main strategies used by most of the households studied were to seek help from the State, voluntary and other private organisations, and from family and friends. Most of the households studied experienced a reduction in their standard of living because they were unable to manage their money problems and had to rely on coping strategies (Chapter 5).
5. Most of the households studied experienced the following housing needs or difficulties:
 - Eleven of the 12 households were State house tenants who paid market rents of between 32 and 70 per cent of their disposable income in rent. By comparison, the average New Zealand household paid only 18 per cent of its income on housing costs. The housing experiences of most households studied demonstrated that market rents were unaffordable, especially for six of the households who paid 50 per cent or more of their income in rent.

- Six WINZ beneficiary households (five single parent and one superannuitant households) lacked knowledge about how much Accommodation Supplement they received.
- For most of the households studied, home ownership was not a reality because they were unable to access housing finance from personal savings, the Housing Corporation of New Zealand, banks and other private financial institutions.
- Most State house tenants faced difficulties of inadequate maintenance of their houses by Housing New Zealand.

7.2 Implications of the Findings

The findings of the study, how these impinged on the 12 households studied, the impact on relevant groups, communities, organisations, and relevance for research in this country are presented in this section.

7.2.1 Implications for Other Researchers and Limitations of the Study

In this section, the research findings of this study are compared with those of other researchers. The limitations of the study are also outlined.

The present study used the following measures to ascertain the living standards and quality of life of the 12 low income households studied: income and expenditure approach, relative deprivation approaches, disadvantage indicators and social exclusion, money problem indicators, housing needs or difficulties and qualitative research approach.

Based on the income and expenditure approach used in Chapters 4 and 5, we found that most of the households studied were deemed to be in poverty. While the income approach recommended by the Royal Commission on Social Policy and the European Community had been used by Austin et al. (1996), the expenditure approach used by Oppenheim and Harker (1996) has not been used previously by researchers in New Zealand to measure standard of living and quality of life. Statistics New Zealand's (1998a) Household Economic Survey (HES) for the year ended 1998 provided information on the expenditure patterns of the average New Zealand household spending which

were used in Chapter 5 to compare the expenditure patterns of the 12 households studied. Ideally HES would have given the expenditure patterns of low income groups and other income categories; this could well be included in the next survey in 2001. "The respected Institute of Fiscal Studies (IFS) in London has found expenditure measures, in particular, are much better indicators of income distribution and poverty than are measures of income" (Jones 1996: 84).

There was no New Zealand national study similar to that of Mack and Lansley (1985) and Frayman (1991) against which the findings of this study on the acquisition of household items could be compared so instead they were compared with the ownership patterns of New Zealanders using data from Statistics New Zealand (1998a) Household Economic Survey, and the simple amenities index developed by Robins (1996). Using these relative deprivation approaches, this study found that most of the households studied did not have six household items required for a minimum standard of living.

A limitation of the present study is that the incidence of the disadvantage indicators and social exclusion have not been examined with regard to the average New Zealand household or the larger New Zealand population. One study *Poverty and hardship in Christchurch* by Jamieson (1998) developed eight indicators of hardship (Chapter 2) and found that 40 per cent of respondents, most of whom were WINZ beneficiaries, experienced hardship across three or more indicators. Nine of the 13 disadvantage indicators developed in Chapter 4 applied to half or more of the households studied in the Auckland region.

The use of foodbanks and Special Needs Grants from WINZ by households studied support the findings of Gunby (1996, nation-wide) and Milne (1998, Auckland). Food problems faced by beneficiaries and low income-working households have been revealed by Duncan et al. (North Island), Waldegrave and Stuart (Wellington) and Young (nation-wide). The evidence of a lack of household items by these households has also been highlighted by Robins (nation-wide) and Waldegrave and Stuart. While most of these studies and

others discussed in Chapter 2 have shown that beneficiaries and low income households have problems with their housing costs, they did not discuss the concept of rent arrears.

The findings of the study on housing needs or difficulties are consistent with those of most earlier housing research discussed in Chapter 2 which used the Outgoings-to-Income ratio (OTI) to measure housing affordability among low income households in Auckland and other parts of the country. This current study confirms that high housing costs are the main cause of poverty among low income households in the Auckland region as suggested by Austin et al. 1996; Popham 1996; Milne 1998; and Te Puni Kokiri 1998b for Auckland and Duncan et al. 1996, Gunby 1996 and Jamieson 1998 for the rest of the country. The findings of this study support those of Austin et al. (1996) and Milne (1998) which found that the Residual Income (RI) of the low income households which they had studied was not adequate to live on. This current study is not making any claim as to whether a certain OTI or RI can be seen to be appropriate, rather I have made a comparison between the OTI and RI of the 12 households studied and the average New Zealand household. The related housing research discussed in Chapter 2 does not make this comparison. Using Robins's (1996) measure of housing affordability that is based on total expenditure on housing costs, most households studied were deemed to have a reduced standard of living. Most of the related housing research discussed in Chapter 2 used the OTI as a measure of housing affordability. Both the Institute of Fiscal Studies (Jones 1996) and Statistics New Zealand (1999) argue that expenditure is a better measure of economic well being than income. A more reliable measure of the standard of living of low income households would no doubt have been the housing-expenditure-to-income ratio.

Little or no research has been done on the impacts of the 1990-1991 housing reforms on State house tenants. In 1994 Waldegrave and Sawry (1994) made the point that no national studies of housing need had been undertaken in New Zealand. Five years later there has been no change in this situation. .

Most of the households studied were unable to access housing finance to buy a first home and they lacked information on Government assistance to allow low income people to own their homes. These views were supported by Te Puni Kokiri (1998b) which found that the income of Maori participants were insufficient to save for a deposit and participants did not have good accessible information on the available options on being a homeowner. Half of the households studied, all WINZ beneficiary households, lacked knowledge on the Accommodation Supplement (AS). Gunby (1996: 50) pointed out that poor awareness of the AS by beneficiaries in her study suggested "that beneficiaries could receive less than their full entitlement without being aware of it. It also indicates the problems associated with providing housing assistance through a cash supplement which must be applied for".

Most State House tenants expressed concern about poor property maintenance by Housing New Zealand (HNZ) but had not taken any action against HNZ. The findings of a study by Bridgland (1997: 123) indicated that four of five tenants interviewed in Palmerston North lacked sufficient knowledge about their rights: "They generally did not know where to seek assistance, and showed a reluctance to pursue formal means of resolving problems with their landlord, preferring instead to either move or simply put up with the problem".

The strengths of this thesis lie in the qualitative approach used to depict the experiences of the 12 households studied with regard to income allocation, standards of living and quality of life, and housing issues. The participants spoke for themselves. The outcome of this "descriptive first-hand account" (Silburn 1988) has not been the generalisation of results but rather the acquisition of a deeper understanding of the living standards and quality of life of low income households from the perspectives of the 12 households studied. This qualitative research approach described and analysed in Chapters 4 to 6 should be seen as an essential complement to the above five approaches, most of which are quantitative.

This study, like most of the qualitative literature reviewed (except Milne 1998) has presented snapshots of the income allocation, living standards and housing issues affecting the 12 households at a particular point in time between August and November 1998. Some questions were asked about whether their standards of living and quality of life had changed in the last five years, and also about the receipt of food from foodbanks and food vouchers from WINZ within the last four years (Appendix 6), but the design of the study was mainly cross-sectional with only one contact with participants. O'Brien (1996: 9) has noted that:

Much of the poverty research in this country and overseas suffers from the difficulty of presenting a picture that is valid at the moment that it is taken but may be an incomplete reflection the following day, month or year.

An alternative type of study design would have been before and after studies with two contacts or a longitudinal (panel) study with three or more contacts. This was not possible with the current study because of time and financial constraints.

7.2.2 Implications for Policy and Practice

The findings of this thesis are a powerful indictment on the Income Support, Market Rent and Accommodation Supplement policies of New Zealand Governments from 1991 to 1998. These policies have abandoned 'participation and belonging' as the underlying principle of social policy. Income Support policy has failed to provide a level of income adequate for the 12 beneficiary and low income-working households studied, to belong to and participate in their communities and New Zealand society.

The application of free market principles to housing by the Government since 1993 has not given access to adequate housing for the 12 households studied, nor for most State house tenants who are beneficiaries and who do not earn a market income. In particular the Market Rent policy of Housing New Zealand can be seen as a failure for the following reasons:

- The Government has relied on an inadequate Accommodation Supplement (AS) from 1993 to 1998. Seven of the 12 households

studied were unable to maintain their rent payments and had been in arrears.

- Information on the AS provided by WINZ to beneficiaries and low income-working households are generally inadequate. Six WINZ beneficiary households who lacked knowledge on the AS could be receiving less than their full entitlement without being aware of it.
- The Government has placed emphasis on the commercial objectives of Housing New Zealand as against the social objectives. As a result market rents has not provided adequate housing for the 12 households involved in the study. Such failure has then frustrated other social provisions and caused significant social dislocation as demonstrated by the multiple disadvantage indicators discussed in Chapter 4.
- The Government is no longer building houses for low income households. A non-governmental organisation has taken over this responsibility. Habitat for Humanity has built new houses for two households involved in this study but the number of which they have built so far (17 in Manukau City, 3 in Waitakere City and 68 in New Zealand as a whole) are proving inadequate to meet the demand of houses for an increasing population.

The findings of the study have implications for the lives of the 12 households involved in the study as well as for the larger groups of WINZ beneficiaries and low income-working households. The lives of the 12 households studied were notably different from that of the average New Zealand household in the following respects:

- While the average New Zealand household can access credit to buy goods and services on credit, the 12 households studied relied on different mechanisms such as the purchase of second hand goods, on friends, on family, and by going without and cutting down on the use of certain items of expenditure.
- Use of foodbanks, the receipt of food vouchers and the need for supplementary payments by all 12 households studied demonstrated that the Benefits received by the eight beneficiary households, and the basic wages of the four low income-working households, were inadequate to maintain a minimum standard of living such as is enjoyed by the average New Zealand household.
- One sense in which most of the 12 households studied felt excluded was their inability to take their kids to fast food restaurants, such as McDonald's and Kentucky Fried Chicken (KFC). There was no possibility of luxuries such as going on a holiday.

A major implication of the findings was the fact that most of the State House tenants involved in this study did not know their rights. Housing New Zealand (HNZ) for instance did not provide them with adequate information on what they needed to do if their houses needed to have repairs done. The official body that should provide information about the rights of tenants is the Tenancy Services, a division of the Ministry of Housing. Other organisations that provide information for tenants with problems include the Tenant Protection Association in Auckland City, the Citizen's Advice Bureaux throughout the country and the Sisters of Mercy at Wiri in Manukau City. The Sisters of Mercy are key advocates for many State house tenants in their area. One Sister of Mercy was able to confirm the findings of this study that tenants do not know their rights. Housing New Zealand is apparently not happy with the Sisters of Mercy because of their use of the press to raise issues with regard to tenancy on behalf of their clients. Nonetheless, if the Sisters of Mercy contact HNZ they do generally receive a good response.

7.3 Suggestions for Further Research

In conducting this study, a number of unanswered questions arose that should be further investigated. Further research beyond the limits of the current thesis is required in the following areas:

1. Income and expenditure patterns of low, middle and high income households to help in assessing their standards of living.
2. A national survey similar to that of Mack and Lansley (1985) and Frayman (1991) is needed to seek a consensual view of the household items that New Zealanders consider to be necessities in their society and also to ascertain their affordability with regard to a sample of low income households. In particular the following should be included:
 - the incidence of social disadvantage and social exclusion among all sections of the New Zealand society,
 - the types of help sought by problem households in the Auckland region and the money problem indicators such as rent areas, lack of household items and food that are involved,

- The housing-expenditure-to-income ratios and housing experiences of State house tenants, as well as a national study on the concept of housing need,
 - The rights of State house tenants on low incomes in the Auckland region and how they seek redress with regard to their complaints.
3. Qualitative research approach that uses before and after or longitudinal study designs with two or more contacts over a period of one or two years to measure changes and trends in the income allocation and living standards of low income households in the Auckland region.

7.4 Recommendations

The evidence from this study has shown that whilst the Accommodation Supplement was assisting 10 of the 12 households studied to pay housing costs, 11 of the 12 households studied who were State house tenants have had great difficulty in paying market rents. But if the Government is going to still have market rents, then one approach suggested is the development of a universal or rights based model that meets the United Nations' Universal Declaration of Human Rights (Article 25) on social and economic rights and which meets the spirit and intent of the quotation of Pope Paul VI at the start of this chapter. In the long-term period of three years, a universal provision of Social Security Benefits, which changed in 1991 when the Family Benefit was axed, should be reintroduced. Coney (1996) in the *Sunday Star Times* defines the concept of "social security" as containing "the idea of the social contract, whereby the state provides a level support for everyone in recognition of their contribution to society, whether economically or by bringing up families". According to a booklet *Your Social Security* published in 1965 quoted in Coney "the basic idea of social security cash benefits is to provide income security for the whole population by ensuring that no person or family has an income or cash resources below an acceptable minimum".

The current and future New Zealand Governments must ensure that the 12 households studied, beneficiaries and low income-working households had access to adequate housing. In order to achieve this goal, reviews of the Market Rent and Accommodation Supplement policies are needed. The

following housing policy changes should be taken into consideration in any review:

- Lobby groups involving community agencies such as the Poverty Action Combined Beneficiaries Coalition, the Sisters of Mercy, emergency housing agencies and interest groups with similar views on an egalitarian society and social housing also have a major role in influencing the direction of social and economic policy.
- Housing New Zealand (HNZ) and Work and Income New Zealand (WINZ) are two Government organisations which need to improve their performances. These two Government departments must be responsive to the real needs of its clients most of whom are beneficiary and low income –working households. It is important that WINZ provides adequate information on the current Accommodation Supplement to beneficiary and non-beneficiary low income households. Since HNZ is currently charging market rents it must also provide furnishings such as carpets and curtains that are provided in the private sector rental housing market. HNZ must also provide adequate information to all State house tenants on their rights as far as maintenance and repair works to be met by HNZ. There is the need for HNZ to establish a system of performance indicators:
 - (1) to provide information to tenants about the performance of their landlord, with the aim of promoting tenant interest and involvement; and
 - (2) to improve standards of housing management, as a response to customer demand, through the use of performance targets. (Kemp 1996: 107)

HNZ must report annually to its tenants regarding performance indicators such as rental stock, rents, lettings and repair service.

- The current and future New Zealand Governments ought to move away from income supplementation towards housing provision so that it can meet the needs of low income households facing housing difficulties and serious housing need. As has been noted by Duncan (1997) in the *New Zealand Herald*, taxpayers' money would be better spent on rebuilding a State housing stock and putting the tenants on a long-term home-ownership plan. The criteria for assessing Government housing assistance should be the need for housing rather than income based as it is in the present situation.

Postscript

As I completed this thesis, the Centre-left political parties of Labour and the Alliance had been elected to form the next New Zealand Government and to

lead the country into the new millennium. The standard of living and quality of the 12 households studied in Auckland and the larger groups of WINZ beneficiaries and low income-working households in New Zealand as a whole would improve if the new Labour and Alliance Coalition Government at the very least implements its pre-election promise of scrapping the Market Rent policy and restoring an income related rent policy for State housing with low income households paying no more than 25 per cent of their income in rent.

Appendix 1

Real Value of Government Housing Assistance (adjusted using March 1996 CPI)

Agency	Assistance item	1990 \$000	1991 \$000	1992 \$000	1993 \$000	1994 \$000	1995 \$000	1996 \$000
DSW ¹	Accommodation Benefit	1,829	1,347	196,471	226,831	-	-	-
DSW	Accommodation Supplement	-	-	-	-	371,964	493,821	560,940
DSW	Special Benefit (80%)	1,802	2,409	49,904	55,520	57,188	69,989	70,452
DSW	Family Benefit capitalisation	-	-	-	-	-	-	-
DSW	Advances for repairs to homes	3,378	2,976	3,227	2,675	2,111	1,968	2,596
DSW	Rent and interest concessions	111	-	-	-	-	-	-
DSW	Loans for home alterations	5,771	4,926	5,594	5,283	5,225	366,805	-
DSW	Residential loans	9,271	-	-	-	-	-	-
DSW	Emergency housing coordination	161	-	-	-	-	911	1,045
DSW	Community housing	-	-	431	-	5,273	2,480	136
DSW	Tenure protection allowance	-	-	-	-	4,296	16,881	17,063
HCNZ ²	Grants, contributions, subsidies and other	376,005	344,805	173,745	60,600	16,034	-	-
HCNZ	Advances for housing development	505,238	751,383	-	-	-	-	-
H(C)NZ ³	Rent rebate ⁴	288,949	313,098	276,597	200,182	102,700	30,016	5,000
MoH ⁵	Housing assistance	-	-	-	-	13,887	8,415	5,376
DMA ⁶	Advances for housing	42,244	17,333	18,808	33,934	33,562	66	10
DMA	Kaumatua Flats	113	109	108	107	106	285	187
Finance	Suspensionary loan writeoff	-	-	-	-	-	2,077	5,250
TOTAL	TOTAL	1,234,872	1,438,387	724,884	585,132	612,346	638,011	668,055

Key:

¹ DSW Department of Social Welfare

² HCNZ Housing Corporation of New Zealand

³ H(C)NZ Housing Corporation of New Zealand (1990-1992) and Housing New Zealand (1993-1996)

⁴ Source: HCNZ, Annual Accounts and Statistics. Calculated by subtracting "actual rent paid" from "basic (market) rent" for the financial year.

⁵ MoH Ministry of Housing

⁶ DMA Department of Maori Affairs

Source: Ministry of Housing (1997)

Appendix 2

Benefit Rates: 1 April 1998

BENEFIT TYPE	Nett Rates at 1 April 98 (\$)	Nett Rates at 1 July 97 (\$)	New Entry Thresholds effective 1 April 1998 Accommodation Supplement (AS) (\$)				
			Rent/ Board (25%)	Mortgage (30%)	Max for Area 3	Max for Area 2	Max for Area 1
<i>Unemployment, Training Benefit & Young Job Seekers Allowance: without children</i>							
Single 16-17 years (TB only)	96.97	96.97	37.00	44.00	45.00	65.00	100.00
Single 18-24 years	122.78	121.77	37.00	44.00	45.00	65.00	100.00
Single 25 years and over	147.34	146.13	37.00	44.00	45.00	65.00	100.00
Married couple	245.56	243.54	61.00	74.00	55.00	75.00	115.00
<i>Unemployment, Training Benefit & Young Job Seekers Allowance: with children</i>							
Single (1 child)	211.04	209.30	65.00	77.00	55.00	75.00	115.00
Single (2 children or more)	230.04	228.34	69.00	83.00	75.00	100.00	150.00
Married couple (1 child)	260.94	258.80	77.00	92.00	75.00	100.00	150.00
Married couple (2 or more)	260.94	258.80	77.00	92.00	75.00	100.00	150.00
<i>Independent Youth Benefit</i>							
Single 16-17 year olds	122.78	121.77	37.00	44.00	45.00	65.00	100.00
<i>Job Search Allowance</i>							
Single 16-17 year olds	96.97	96.97	37.00	44.00	45.00	65.00	100.00
<i>Sickness: without children</i>							
Single 16-17 years	121.77	121.77	38.00	46.00	45.00	65.00	100.00
Single 18-24 years	147.34	146.13	38.00	46.00	45.00	65.00	100.00
Single 25 years and over	153.47	152.21	38.00	46.00	45.00	65.00	100.00
Married couple	279.08	276.78	70.00	84.00	55.00	75.00	115.00
<i>Sickness: with children</i>							
Single (1 child)	211.04	209.30	65.00	77.00	55.00	75.00	115.00
Single (2 children or more)	230.24	228.34	69.00	83.00	75.00	100.00	150.00
Married couple (1 child)	279.08	276.78	82.00	98.00	75.00	100.00	150.00
Married couple (2 children or more)	279.08	276.78	82.00	98.00	75.00	100.00	150.00
<i>IB & TRB: without children</i>			<i>Non-Benefit</i>	<i>AS Rates</i>			
Single 16-17 years	149.04	147.81	46.00	55.00	45.00	65.00	100.00
Single 18 years and over	184.17	182.65	46.00	55.00	45.00	65.00	100.00
Married couple	306.94	304.42	77.00	92.00	55.00	75.00	115.00
<i>IB & TRB: with children</i>							
Single (1 child)	241.93	239.94	72.00	87.00	55.00	75.00	115.00
Single (2 children or more)	259.80	257.66	77.00	92.00	75.00	100.00	150.00
Married couple (1 child)	306.94	304.42	88.00	106.00	75.00	100.00	150.00
Married couple (2+ children)	306.94	304.42	88.00	106.00	75.00	100.00	150.00

<i>Widows Benefit & DPB</i>							
Woman alone/single adult	153.47	152.21	38.00	46.00	45.00	65.00	100.00
Sole parent (1 child)	211.04	209.30	65.00	77.00	55.00	75.00	115.00
Sole parent (2 children or more)	230.24	228.34	69.00	83.00	75.00	100.00	150.00
<i>Domiciliary Care DPB</i>							
Single 16-17 years	149.04	147.81	46.00	55.00	45.00	65.00	100.00
Single 18 years and over	184.17	182.65	46.00	55.00	45.00	65.00	100.00
Sole parent (1 child)	241.93	239.94	72.00	87.00	55.00	75.00	115.00
Sole parent (2 children or more)	259.80	257.66	77.00	92.00	75.00	100.00	150.00
Half married rate	153.47	152.21					
<i>NZSuperannuation and Veterans Pension</i>							
Single living alone	210.52	208.79	53.00	63.00	45.00	65.00	100.00
Single sharing	194.33	192.73	49.00	58.00	45.00	65.00	100.00
Married person	161.94	160.61	81.00	97.00	55.00	75.00	115.00
Married couple both qualify	323.88	321.22	81.00	97.00	55.00	75.00	115.00
NQS included post 1/10/91	309.28	306.74	77.00	92.00	55.00	75.00	115.00
NQS included pre 1/10/91	323.88	321.22	81.00	97.00	55.00	75.00	115.00
<i>Training incentive Allowance</i>				<i>Family Support Rates</i>			
Ordinary maximum rate	23.76	23.56		First or only child		47.00	
Special maximum rate (other training)	35.32	35.03		Second or subsequent child 0-12 years		32.00	
Special maximum rate (Tertiary rate)	81.65	80.98		Second or Subsequent child 13+ years		40.00	
Disability Allowance: maximum rate	43.23	42.87					
Handicapped Child Allowance	32.58	32.31					
<i>Orphans and Unsupported Child</i>							
Under 5 years	71.60	71.01					
5-9 years	86.95	86.23					
10-13 years	94.63	93.85					
14 years and over	102.30	101.46					
Transitional Training Support Allowance		13.20					

Source: New Zealand Income Support Service (1998)

Appendix 3

Information Sheet and Consent Form

Title of Project:	Assessing Housing of Low Income Groups in Auckland
The Researcher:	Johnson Emmanuel Nsiah
Address:	Graduate student, School of Policy Studies and Social Work, Massey University at Albany, Auckland Phone: 09 443 9766 Fax: 09 443 9767
Chief supervisor:	Dr. William Low
Address:	Senior Lecturer, School of Policy Studies and Social Work, Massey University at Albany, Auckland Phone: 09 443 9684 Fax: 09 443 9767
Second Supervisor:	Dr. Jocelyn Quinnell
Address:	Senior Lecturer, School of Policy Studies and Social Work, Massey University at Turitea, Palmerston North Phone: 06 350 4070

Participants are free to contact the researcher, and/or his supervisors at the above contact address, and phone/fax numbers at any time if they need to.

What is the study about?

The primary focus of this study is to examine the perceptions, attitudes, experiences, beliefs, and expectations of a number of low income individuals and families on housing in the Greater Auckland Region (consisting of the cities of Auckland, Manukau, North Shore, and Waitakere). The study takes a broader picture of how low income people cope with their housing, and living circumstances. The study will address issues of housing and income allocation, as well as the impacts of changes in the Government's housing policies since 1990 on low income groups in Auckland. This research will meet the requirements of the Massey University code of ethical conduct for research and teaching involving human subjects. It is hoped that the results of

this study will be used by emergency housing agencies, Government departments, and other organisations to plan, do further research, and develop policies to improve housing of low income groups in Auckland, and in New Zealand as a whole.

What will be asked of participants?

If you agree to help with our study, you will be asked to take part in a group forum and interview, and/or complete a questionnaire with the researcher or a representative of an emergency housing agency/other organisation. With the consent of participants, information from the group forum and interviews will be recorded on audio tapes. The recorded tapes will be transcribed by the researcher and with the assistance of experienced transcribers. Each participant will be given copies of the group forum and interview transcripts to check and amend as they consider to be appropriate.

How much time will be involved?

The group forum and interviews should take between 60 and 90 minutes, while the questionnaire should take between 20 and 30 minutes to complete.

Anonymity and Confidentiality

The privacy of participants will be protected through the following anonymity and confidentiality procedures. Participants will be given the assurance that the information they give will remain anonymous, that is, the results of the study will not identify any individuals and families by name. Confidentiality will be maintained by coding the data with numbers instead of names. Completed questionnaires, tapes, field notes, and transcriptions will be kept secure, and the matching list of names and code numbers will be stored separately. Any other authorised persons who will be involved in the interviews and transcriptions will be asked to sign a confidentiality agreement.

The rights of the participants

If you help with our study:

- you can refuse to answer any question from the group forum/interview, and/or questionnaire, and to decline to take part in any other stages of the research process.
- you can decide to withdraw from the study at any time
- you can ask any questions you like during your participation
- we will tell you what we find out from the study
- you can contact us if you feel any anxiety about the study
- you will be given the opportunity to review the information you provide, and to add to or correct that information.

Consent Form for Interview

Title of Project: **Assessing Housing of Low Income Groups in Auckland**

I have read the Information Sheet for this study, and understand the details of the study and its purpose. My questions about the study have been answered to my satisfaction, and I understand that I may ask questions at any time.

I also understand that that I am free to withdraw from the study at any time, or to decline to answer any questions in the study. I agree to provide information to the researcher on the understanding that it is completely confidential.

I agree/do not agree to the interview being audiotaped.

If you wish to participate in an interview under the conditions set out on the Information Sheet, please sign one copy of this consent form for the researcher, and retain one copy.

Signed: _____

Name: _____

Date: _____

Declaration of Confidentiality

I hereby declare that as transcriber of the recorded conversations between the interviewer and the participants, that any information contained in the tapes will not be divulged to any party whatsoever. The tapes and transcriptions will be handed to the researcher immediately after the transcription process.

Signed _____

Transcriber

Appendix 4

Plan for the Research Project: Protocols

The participants for the interviews will be: 5 Samoans (Manukau City)
 3 Maori (2 Manukau City, 1 North Shore City)
 3 Pakeha (1 Auckland City, 2 North Shore City)
 1 Nigerian (Manukau City)

The interviews will be conducted in the homes of participants, or other places that are acceptable to participants. Since these participants come from different cultural and economic backgrounds as the researcher, I will establish an appropriate rapport with them through these protocols:

1. Greetings:

Samoan and Maori participants will be greeted in their language, as well as mine. For Samoans (*Talofa*) and Maori (*Kia Ora*). For the Pakeha and Nigerian participants, the greetings will be in English (*Hello*), and in Asante (the researcher's language).

2. A Genealogy (*Whakapapa*):

I will develop a connection of being in the homes of participants by:

- (a) Introducing myself (name, where I come from, marriage status, and a series of events that have brought me from Ghana to New Zealand).
- (b) I will then let them know of the reason why I am in their homes (for an interview), and that I'm interested in how low income households cope with their housing and living circumstances.

3. Information Sheet and Consent Form:

- (a) Participants should have read the Information Sheet and signed two copies of the Consent Form (one for them to retain and one copy for the researcher).
- (b) I will go through Information Sheet (attached) again with participants.

4. Other Issues:

- (a) I will state that I am not in their homes for NZISS or any other Government department, and that I don't make judgment on whether their sources of income is legal or illegal.
- (b) I will ask participants if they are comfortable with the interview, and the research process in general.

5. Weekly Budget Sheet:

Using the weekly budget sheet already completed by participants, the researcher checked for any inaccurate recording and asked the following questions:

- (a) How much did your household earn from paid work or Benefits and/or other income within the last week?

Prompt: Actual Income after taxes.

- (b) What were your household's actual expenses within the last week?

6. Questionnaire to complete prior to interview:

Participants will be asked to complete questionnaire prior to interview (3 pages) on their Household Employment Status, and Standard of Living and Quality of life.

7. Interview:

Participants will be interviewed using the interview schedule on the topics of Allocation of income, housing issues, and the standard of living and quality of life of low income households. The interviews will be made conversational, and participants will be made to feel at home.

8. End of interview:

- (a) Participants will be asked if they would like me to keep them updated on my research work by:
 - (i) Telephoning them (those with telephones), and/or
 - (ii) Sending them letters of thank you, and/or
 - (iii) Sending them a very clear summary of findings of the research project
- (b) After the interview, I will thank and honour my participants with *Koha* (something small such as a packet of biscuits or a box of chocolates), which I will put on a table or on the floor and say that this is for all members of the household.

Note: Assistance in drawing up these protocols has been sought from:

- (i) My supervisors, Will and Jocelyn.
- (ii) Tafa Mulitalo and Peter Mataira, lecturers of the School of Policy Studies and Social Work.

Appendix 5

Questionnaire to Complete Prior to Interview

1. Household Characteristics:

This section asks questions about your gender, age, ethnicity; the type and composition of your household; and the location of your house.

Please answer the following questions by:

1. Ticking the box that applies to you, or circle your answer, and
2. Using the ruled spaces to write your responses.

1.1 Are you male or female?

Male..... ☐

Female..... ☐

1.2 What is your age?

18 or younger..... ☐

19-24..... ☐

25-29..... ☐

30-34..... ☐

35-39..... ☐

40-44..... ☐

45-49..... ☐

50-54..... ☐

55-59..... ☐

60 or older..... ☐

1.3 What is your position in the household?

Mother..... ☐

Father..... ☐

Son..... ☐

Daughter..... ☐

Other..... ☐

(Please specify _____)

1.4 Please tick one box that applies to your household.

- Single person living alone.....
- Single person sharing with others (not family).....
- Single parent living alone.....
- Single parent sharing with others (not family).....
- Couple with no children.....
- Couple with children.....
- Extended family (*whanau*).....

☐
☐
☐
☐
☐
☐
☐
1.5 How many people are living in your household (yourself included)?

1.6 How many are adults (aged 25 and over)?

1.7 How many are children (aged under 25)?

1.8 In which of the following cities is your house located?

- Auckland
- Manukau
- North Shore

☐
☐
☐
1.9 Which of the following groups do you identify with?

- New Zealand European or Pakeha.....
- New Zealand Maori.....
- Pacific Islander.....

☐
☐
☐

- Please circle one of these:

Samoan	Tongan	Fijian	Cook Island Maori
Tokelauan	Niuean	Tuvaluan	Other (please specify) <hr/>

Other ethnic group..... ☐

(Please specify country.....)

1.10 Are you registered as disabled?

- Yes.....
- No.....

☐
☐
1.11 If yes, please state the nature of your disability.

Weekly Budget

\$

Income (gross)	
Tax	
Net Disposable Income - (that is, income after tax)	
FIXED EXPENSES	
1. Rent/Board/Mortgage circle the one that applies	
2. Telephone	
3. Food	
4. Car and bus costs	
5. Insurance	
6. Petrol	
7. Power and gas	
8. Clothing and shoes	
9. School expenses	
10.	
11.	
12.	
13.	
14.	
15.	
Total fixed expenses	
VARIABLE EXPENSES	
1. Movies	
2. Entertainment	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
Total variable expenses	
Saving	

2. Household Employment Status:

This section asks questions about your current employment or unemployment status, and why you became unemployed (if applicable).

2.1 Are you currently employed?

Employed..... ☐

Unemployed..... ☐

2.2 If you are employed, is your paid work

Full-time (30 hours, or more per week)..... ☐

Part-time (20-29 hours per week)..... ☐

Part-time (10-19 hours per week)..... ☐

Part-time (1-9 hours per week)..... ☐

Casual..... ☐

2.3 Are you on a

Fixed term employment contract..... ☐

Permanent employment contract..... ☐

2.4 What type of job are you doing?

Professional..... ☐

Clerical..... ☐

Skilled manual..... ☐

Unskilled manual..... ☐

Other..... ☐

(Please specify _____)

2.5 If you are unemployed was your previous job

Full-time (30 hours, or more per week)..... ☐

Part-time (20-29 hours per week)..... ☐

Part-time (10-19 hours per week)..... ☐

Part-time (1-9 hours per week)..... ☐

Casual..... ☐

2.6 How long have you been unemployed?

2.7 Have you worked before?

Yes..... ☐

No..... ☐

2.8 If yes, why did you leave your last job?

3. Standard of Living and Quality of Life of Low-Income Households

3.1 Please tick box if you own the following household items.

Colour television.....	<input type="checkbox"/>
Video recorder.....	<input type="checkbox"/>
Microwave oven.....	<input type="checkbox"/>
Washing machine.....	<input type="checkbox"/>
Fridge.....	<input type="checkbox"/>
Freezer.....	<input type="checkbox"/>
Computer.....	<input type="checkbox"/>
Clothes dryer.....	<input type="checkbox"/>
Car.....	<input type="checkbox"/>
Dishwasher.....	<input type="checkbox"/>
Stove.....	<input type="checkbox"/>
Heating appliance (electric or gas).....	<input type="checkbox"/>

3.2 When you owned these major household items, did you buy them new, or second hand, or were they given to you as a gift? Please circle one option for each item.

Colour television.....	New Second hand Gift
Video recorder.....	New Second hand Gift
Microwave oven.....	New Second hand Gift
Washing machine.....	New Second hand Gift
Fridge.....	New Second hand Gift

Freezer.....	New Second hand Gift
Computer.....	New Second hand Gift
Clothes dryer.....	New Second hand Gift
Car.....	New Second hand Gift
Dishwasher.....	New Second hand Gift
Stove.....	New Second hand Gift
Heating appliance (electric or heater).....	New Second Gift

Thank you very much for taking the time to answer this form. Your help is greatly appreciated.

Appendix 6

Interview Schedule

Please speak as loud and clear as possible through the microphone. Otherwise the tape will not record your responses properly.

1. Allocation of Income

1.1 (a) How do you budget?

Prompt:

How do you make your budget every week?

(b) How often do you have problems meeting your rent and other costs?

Prompt:

(i) Do you have problems meeting your rent and other costs, like food, power and gas?

(ii) Other costs here refer to other areas of your weekly expenditure: food, power and gas, and so on.?

(c) What happens at the end of the week when your benefit and other sources of income is finished?

Prompt:

(i) If your income falls short of your expenses, what do you do?

(ii) How often by the end of the week don't you have money for food, power and gas, and so on.

(d) How do you deal with those circumstances?

Prompt:

(i) Do you turn to family, friends, and church for help?

(ii) In what ways do they help?

- 1.2 (a) Have you received any special grant from New Zealand Income Support Service (NZISS) during the last 12 months? (Researcher to show these examples on a card: Special Benefit, Special Needs Grant and Benefit Advances).
- (b) Please state the amount your household received from the above payments?
- (c) Please explain why you received them?

Prompt:

What did you use the money for?

- (d) Do you have a Community Services Card? Are there other household members with a Community Services Card?
- 1.3 (a) What household items do you think all New Zealanders should have in order to maintain a minimum standard of living?

Prompt:

- (i) What household items should people have in their homes in order to have a minimum standard of living?
- (ii) Refer to Question 2.1 of "Questionnaire to complete prior to interview" that has already been completed by participant.
- (iii) Refrigerator, television, washing machine, etc.?
- (b) Do you have those things?
- (c) Has each child in your household got a bed?
- (d) Which of the household items you mentioned in 1.3 (a) do you consider to be necessities?
- (e) If you lack a particular item, would you like but couldn't afford it?
- (f) How do you deal with it?

Prompt:

If you don't have a particular item, how do you cope?

- 1.4 (a) Can you please talk about what happened to you when your rent went into arrears?
- (b) Please share your experiences on how you coped with rent arrears?

Prompt:

- (i) Do you turn to family, friends and church for help?
- (ii) In what ways do they help?

- 1.5 (a) If your car or a major home appliance breaks down, how do you cope with it?

Prompt:

- (i) How much did it cost to fix it? (If it has happened to you before)
- (ii) How did you manage?
- (iii) Can you afford to fix it and still pay your rent or board or mortgage?
- (iv) What would you have to give up in order to meet such an emergency expenditure?
- (v) Do you turn to family, friends, and church for help?
- (vi) In what ways do they help?
- (b) Does it cause you a lot of stress?
- (c) How do you feel about these circumstances?

- 1.6 (a) Do people tend to rely on second hand goods?

Prompt:

Do you know of people who tend to rely on second hand goods?

- (b) What do you buy from second hand shops?
- (c) Are there some things you wanted to buy new but haven't been able to?
- (d) What does this mean to you?

- 1.7 (a) Have you ever been in a situation whereby you had no choice but had to use a foodbank?

Prompt:

- (i) Have you used a foodbank before?
- (ii) How often has it been in the last one year?
- (b) What did it mean to you to go to a foodbank??
- (c) How did it feel like?

- 1.8 (a) Beyond the basics of life, what luxuries do you allow yourself?

Prompt:

- (i) Are you able to go to KFC, McDonalds?
- (ii) Can you smoke? (If you are a smoker).
- (b) What are your personal experiences?
- (c) What does this mean to you and your kids?

2. Housing Issues

- 2.1 (a) How long have you lived in your current house?
- (b) (i) Are you happy with the house you are in now?
(ii) What do you like about it?
- (c) What don't you like about it?

Prompt:

Is there something you don't like about the house?

- (d) Explain why.
- (e) What makes a good house in your opinion?

Prompt:

Do you have these facilities in your home?

- (i) Lock-up garage(s)
- (ii) Car port(s)
- (iii) Street parking?
- (iv) Fence around the house.

- 2.2 (a) Are you participating in the Kiwi dream of owning a home?

Note: The term 'Kiwi' here refers to all New Zealanders.

- (b) Tell me about your feelings and experiences of the Kiwi dream.
 - (c) What is preventing you from owning a home?
 - (d) What does the Kiwi dream mean to you?
- 2.3 (a) (i) Have you lived in both Housing New Zealand (HNZ) and private accommodation before?

- (ii) What is the difference between the two?
 - (b) Why have you chosen to live in HNZ or private accommodation?
 - (c) If you had a choice, what would you prefer, and why?
- 2.4 (a) Do you understand what the Market Rent policy means?

Prompt:

Until the housing reforms of 1990-1991, state house tenants paid only 25% of their income as rent. As part of the housing reforms, HNZ is now charging full market rents for all state houses. Thus rents paid for a state house will be similar to the rents paid in the private rental market for the same size of house in the same area. This means that HNZ tenants now have to pay more for their rents.

- (b) How do you feel the Government's Market Rent policy has affected you?
 - (c) Do you think it's fair?
- 2.5 (a) What is the Government's Accommodation Supplement?

Prompt:

The National Government has integrated the housing assistance of the previous Labour Government into one form of assistance called the Accommodation Supplement which is administered by New Zealand Income Support Service (NZISS). This is paid to NZISS beneficiaries and low income earners not receiving a main Benefit.

- (b) Do people make use of it?
 - (c) Do you receive the Accommodation Supplement?
 - (d) If yes, how did you first receive it?
 - (e) If not, do you know how to get it?
- 2.6 (a) Have you ever been in housing need, such as, being homeless, living in garages and caravans, emergency housing, and so on?
- (b) What are your experiences in 2.6 (a) above?

Prompt

If yes, what did you have to do?

3. Standard of Living and Quality of Life of Low Income households

- 3.1 (a) How have your standard of living and quality of life changed since the last five years?
- (b) Do you feel better off or worse off?
- (c) In what way(s)?
- 3.2 (a) What do you think the future is going to be like for you?
- (b) How can your current position be improved?
- (c) Would you be able to find a job to increase your income?

Prompt:

What do you feel about the Government's Community Wage policy which replaces Benefits and requires beneficiaries to work 20 hours a week or do training?

- (d) Would you be able to improve your education as a means of increasing your chances of getting a job?
- (e) Would you generally consider moving out of Auckland where rents are cheaper? Why?
- (f) What do you think (suggest) the government should do to help low income households with their housing and living circumstances?

4. End of Interview:

Before we finish with the interview:

- (a) Is there anything else you would like to add to our discussion today?
- (b) Are there any questions that you would like me to answer?
- (c) Participants will be asked if they would like me to keep them updated on my research work by:
- (i) Telephoning them (those with telephones) and/or
 - (ii) Sending them letters of thank you and/or
 - (iii) Sending them a very clear summary of findings of the research project

Your participation in this study is very much appreciated.

Bibliography

- Adams, Karen (1997) "Housing reform in New Zealand", in M. O'Brien and C. Briar (eds) *Beyond Poverty: Citizenship, welfare and well being in the 21st century*, Conference proceedings. Peoples Centre, Auckland.
- Ashley, Pauline (1983) *The money problems of the poor: A literature review*. Heinemann Educational Books, London.
- Auckland Methodist Mission (1991) *Just another experiment? A critical analysis of the 1991 Budget*. Social Policy Research Unit of the Auckland Methodist Mission, Auckland.
- Austin, Patricia, Hucken, Bruce and Lunday, James (1996) *Rent rises, housing sales and relocation: A social impact report on Auckland City Council housing policies*. Planning Department, University of Auckland, Auckland.
- Belgrave, Michael (1996) "Oliver Twist gets a better deal under the welfare state", in *New Zealand Herald*, 8 April.
- Berg, Bruce L. (1998) *Qualitative research methods for the social sciences*, 3rd edn. Allyn and Bacon, Boston.
- Bogdan, Robert C. and Biklen, Sari Knopp (1992) *Qualitative research for education*. Allyn and Bacon, Boston.
- Bogdan, Robert and Taylor, Steven J. (1975) *Introduction to qualitative research methods: A phenomenological approach to the social sciences*. John Wiley and sons, New York.
- Bolger, J. B., Richardson, R. and Birch, W. (1990) *Economic and social initiative*, December 1990. New Zealand Government, Wellington.
- Boston, Jonathan and Dalziel, Paul (eds) (1992) *The decent society? Essays in response to National's economic and social policies*. Oxford University Press, Auckland.
- Bouma, Gary D. (1996) *The research process*, 3rd edn. Oxford University Press, Melbourne.
- Bouma, Gary D. and Atkinson, G.B. (1995) *A handbook of social science research*, 2nd edn. Oxford University Press, Oxford.

- Bradshaw, J., Bouwknegt, Laura, and Holmes, Hilary (1996) "In search of a representative measure of poverty", in Peter Smith (ed.) *Measuring outcomes in the public sector*. Taylor and Francis, London.
- Bradshaw, Jonathan and Lynes, Tony (1995) *Benefit uprating policy and living standards*, Number 1. Social Policy Research Unit, University of York, York.
- Bridgland, Caroline (1997) Under someone else's roof: Tenants knowledge and experience of tenancy rights in the Manawatu. Unpublished MA thesis in the School of Policy Studies and Social Work, Massey University, Palmerston North.
- Brosnahan, Neil, Veran, Sharon, Munford, Robyn and Scott, Julie (1995) *Housing: Personal concerns, public issues*. Housing Advisory Centre, Palmerston North.
- Brownlee, Helen (1990) *Measuring living standards: AIFS Australian living standards study*, Paper number 1. Australian Institute of Family Studies, Melbourne.
- Carr-Hill, Roy and Lintott, John with Bowen, J. and Hopkins, M. (1996) "Societal outcome measurement: the European dimension", in Peter Smith (ed.) *Measuring outcomes in the public sector*. Taylor and Francis, London.
- Catholic Commission for Justice and Peace (1997) *Homelessness: Social justice series*. Catholic Commission for Justice and Peace, Wellington.
- Cheyne, Christine, O'Brien, Mike and Belgrave, Michael (1997) *Social policy in Aotearoa New Zealand: A critical introduction*. Oxford University Press, Auckland.
- Chile, Love M. (1997) *Devolution without resourcing: The impact of state disengagement from housing provision on low-income households in Auckland New Zealand*. UNITEC, Auckland.
- Clapham, David, Kemp, Peter and Smith, Susan J. (1990) *Housing and social policy*. Macmillan, London.
- Colmar Brunton Research (1996) *Key findings: Quantitative report into the Accommodation Supplement*, Prepared for the Department of Social Welfare and the Ministry of Housing. Ministry of Housing, Wellington.
- Coney, Sandra (1996) "Current policies of no benefit to the needy" in *Sunday Star Times*, 29 September, p. C6.
- Creswell, John W. (1994) *Research design: Qualitative and quantitative approaches*. Sage Publications, Thousand Oaks.

- Crothers, Charles (1991) *Auckland inner city household standard of living survey, 1991: Preliminary report on first and second waves of interviewing*. University of Auckland, Auckland.
- (1993a) *Manukau quality of life survey: Overview report*. Manukau the Healthy City, Manukau City.
- (1993b) *Manukau quality of life survey: Summary report on economic hardship*. Manukau the Healthy City, Manukau City.
- Crothers, Charles, Kearns, Robin and Lindsay, David (1993) *Housing in Manukau City: Overcrowding, poor housing and their consequences*. The University of Auckland, Auckland.
- Dann, Christine and Du Plessis, Rosemary (1992) *After the cuts: Surviving on the Domestic Purposes Benefit*, Working paper number 12. Department of Sociology, University of Canterbury, Christchurch.
- Davidson, Alexander (1994) *A home of one's own: Housing policy in Sweden and New Zealand from the 1840s to the 1990s*. Almquist and Wilksell International, Stockholm.
- Department of Social Welfare (1997) *Statistics report for the year ending 1997*. Department of Social Welfare, Wellington.
- Duncan, Grant (1997) "Housing policy that does more harm than good", in *New Zealand Herald*, 2 May, p. A11.
- Duncan, P., Kerekere, E., and Malaulau, D. (1996) *Women on low incomes*. NZCCSS and YWCA, Wellington.
- Easton, Brian (1996) "Income distribution", in Brian Silverstone, Allan Bollard and Ralph Lattimore (eds) *A study of economic reform: The case of New Zealand*. Elsevier Science B. V., Amsterdam.
- Economist (1994) "For richer, for poorer". 5 November, pp. 19-23.
- Ferguson, Gael (1994) *Building the New Zealand dream*. The Dunmore Press Limited, Palmerston North.
- Fleming, Robin (1997) *The common purse: Income sharing in New Zealand families*. Auckland University Press with Bridget Williams Books, Auckland.
- Fleming, Robin, and Easton, Susan Kell (1994) *Couples, households and money: Report of the Pakeha component of the Intra Family Income Study*. Social Policy Research Centre, Massey University, Palmerston North.
- Frayman, Harold (1991) *Breadline Britain 1990s*. Domino Films, London.

- Friendship House (1997) *The impact of the Accommodation Supplement on South Auckland housing markets 1993-97*. Friendship House, Manukau City.
- Glaser, Barney and Strauss, Anselm, L. (1967) *The discovery of grounded theory: Strategies for qualitative research*. Aldine, Chicago.
- Gunby, Juliet (1996) *Housing the hungry: The third report*. New Zealand Council of Christian Social Services and Salvation Army, Wellington.
- Habitat for Humanity (1999) *Building on faith 99*. Habitat for Humanity, Manukau City.
- Housing Corporation of New Zealand (HCNZ) (1991) *Annual report*. HCNZ, Wellington.
- Housing New Zealand (HNZ) (1997) *Information on HNZ Market Rent policy*. HNZ, Wellington.
- Housing Restructuring Act (1992) *The Statutes of New Zealand 1992, Public Act 76*. Government Printer, Wellington.
- Hulchanski, David (1995) "The concept of housing affordability: Six contemporary uses of the housing expenditure-to-income ratio", in *Housing Studies*, Volume 10, pp. 471-491.
- Jamieson, Kath (1998) *Poverty and hardship in Christchurch: A reference guide*. Christchurch City Council Social Monitoring Programme, Christchurch.
- Jensen, John (1988) *Income equivalences and the estimation of family expenditures in children*. Department of Social Welfare, Wellington.
- Jones, Michael (1997) *Reforming New Zealand Welfare: International perspectives*. The Centre for Independent Studies, Morooka.
- Kelly, Graham (1998) *Economic apartheid: Poverty in New Zealand*. Web page, <http://www.labour.org.nz/policy/index.html>.
- Kelsey, Jane (1993) *Rolling back the State: Privatisation of power in Aotearoa New Zealand*. Bridget Williams Books, Wellington.
- (1995) *The New Zealand experiment: A world model for structural adjustment?* Bridget Williams books/Auckland University Press, Auckland.
- Kemp, Peter A. (1996) "Outcome measurement in the management of social rented housing", in Peter Smith (ed.) *Measuring outcomes in the public sector*. Taylor and Francis, London.
- King, Peter (1996) *The limits of housing policy: A philosophical investigation*. Middlesex University Press, London.

- Koopman-Boyden, P. (1990) "Social Policy: Has there been one?", in M. Holland and Jonathan Boston (eds) *The Fourth Labour Government*. Oxford University Press, Auckland.
- Krishnan, V. (1995) "Modest but adequate: an appraisal of changing household income circumstances in New Zealand", in *Social Policy Journal of New Zealand*, Issue 4, July.
- Lansley, Stewart (1979) *Housing and public policy*. Croom Helm Ltd., London.
- Leedy, Paul D. (1997) *Practical research: Planning and design*, 6th edn. Prentice-Hall International (UK) Limited, London.
- Le Heron, Richard and Pawson, Eric (eds) (1996) *Changing places: New Zealand in the nineties*. Longman Paul, Auckland.
- Lincoln, Yvonna S. and Guba, Egon G. (1985) *Naturalistic inquiry*. Sage Publications, Newbury Park.
- List, Penny, Hubbard, Alison and Dolan, Gerard (1992) *Budgeting for cuts*. Methodist Social Services, Palmerston North.
- Luxton, J. (1991) *Housing and accommodation - accommodation assistance: A statement of Government policy on housing and accommodation*. New Zealand Government, Wellington.
- Mack, Joana and Lansley, Stewart (1985) *Poor Britain*. George Allen and Unwin, London.
- Mahar, C. (1984) "Government housing policy: The impact on consumers", in C. Wilkes and I. Shirley (eds) *In the public interest: Health, work and housing in New Zealand*. Benton Ross, Auckland.
- Marshall, Catherine and Rossman, Gretchen B. (1995) *Designing qualitative research*, 2nd edn. Sage Publications, Thousand Oaks.
- Massey University (1994) *Code of ethical conduct for research and teaching involving human subjects*. Massey University, Palmerston North.
- Masters, Catherine (1997) "Claims of injustice at rent thaw", in *New Zealand Herald*, 1 July, p. A15.
- Maykut, Pamela and Morehouse, Richard (1994) *Beginning qualitative research: A philosophic and practical guide*. The Falmer Press, London.
- McEneaney, Annemaria (1998) "Mum invites Creech to breadline" in *New Zealand Herald*, 25 September, p. A3.

McLeay, E. (1992) "Housing policy", in Jonathan Boston and Paul Dalziel (eds) *The decent society? Essays in response to National's economic and social policies*. Oxford University Press, Auckland.

Miles, B. and Huberman, A. Michael (1994) *An expanded sourcebook: Qualitative data analysis*, 2nd edn. Sage Publications. Thousand Oaks.

Milne, Sharon (1998) *Shifting Ground: The position of women parenting alone in Auckland and their access to housing in a restructured environment*. Unpublished PhD thesis in the School of Policy Studies and Social Work, Massey University, Albany.

Ministry of Housing (1994) *An estimate of the number of New Zealand households in serious housing need*. Ministry of Housing, Wellington.

(1996) *Post-Election briefing to the Minister of Housing*. Ministry of Housing, Wellington.

(1997) *Estimates of appropriations for the Government of New Zealand*. Ministry of Housing, Wellington.

Morrison, Alastair (1992) "Housing policy fails to help those most in need", in *Dominion*, 13 March.

Mowbray, M. and Dayal, N. (1994) "The fall and rise (??) of household incomes", in *Social Policy Journal of New Zealand*, Issue 2, July.

Murphy, L. and Kearns, R. A. (1994) "Housing New Zealand Ltd: Privatisation by stealth", in *Environment and Planning A*, Volume 26, pp. 623-637.

Murphy, Lawrence (1997) "New Zealand's housing reforms and Accommodation Supplement experience", in *Urban policy and research*. Volume 15, Number 4, pp. 269-278.

National Housing Commission (1988) *Housing New Zealand: Provision and policy at the crossroads*. National Housing Commission, Wellington.

Newman, Isadore, Benz, Carolyn, R., Weis, David and McNeil, Keith (1997) *Theses and dissertations: A guide to writing in the social and physical sciences*. University Press of America, Lanham.

New Zealand Council of Christian Social Services (NZCCSS) (1996) *Housing in New Zealand: A briefing to all members of Parliament*. NZCCSS, Wellington.

(1996) *Poverty in Aotearoa New Zealand: A briefing to all members of Parliament*. NZCCSS, Wellington.

(1998) *Myths about poverty in Aotearoa New Zealand*. NZCCSS, Wellington.

- New Zealand Herald (1997) *Rent rises push up vacancies*, 23 October, p. A11.
- (1998) *Concepts of poverty: editorials and opinion*, 28 September p. A12.
- New Zealand Income Support Service (NZISS) (1998) *Benefit Rates*, 1 April. NZISS, Wellington.
- O'Brien, Mike (1996) "Dynamic approaches to poverty: evidence and implications", in *Social Work Review*, 8(2), pp. 9-13.
- O'Brien, Michael, Cervin, Carmel, Chile, Love and De Haan, Irene (1997) *Social services in Auckland: Needs and responses*. School of Policy Studies and Social Work, Massey University, Albany, Auckland.
- O'Dea, D. J. and Lowe, R. J. (1991) *Economic and demographic aspects of the New Zealand housing market relevant to the possible introduction of an accommodation allowance: A report prepared for the Housing Corporation of New Zealand (HCNZ)*. HCNZ, Wellington.
- Oppenheim, Carey and Harker, Lisa (1996) *Poverty the facts*, 3rd edn. Child Poverty Action Group, London.
- Pasikale, Anna and George, Tai (1995) *For the family first": A study of income allocation within Pacific Islands families in New Zealand*. Destini Incorporated, Wellington.
- Pierson, Christopher (1991) *Beyond the Welfare State? The new political economy of welfare*. Polity Press, Cambridge.
- Podder, Nripesh and Chatterjee, Srikanta (1998) *Sharing the national cake in post reform New Zealand: Income inequality trends in terms of income sources*. Massey University, Palmerston North.
- Patton, M. Q. (1990) *Qualitative evaluation and research methods*, 2nd edn. Sage Publications, Newbury Park.
- Popham, T. C. (1996) *Where do the people go? A study of low income rental accommodation and the impact of the housing reforms on the private rental market in South Auckland*. Unpublished MSW (Applied) research project in the School of Policy Studies and Social Work, Massey University, Albany.
- Polit, D. F. and Hungler, B.P. (1995) *Nursing research: Principles and methods*, 5th edn. Lippincott Co., Philadelphia.
- Ramsay, Claire (1998) "Welfare cuts to deal with soaring cost", in *Otago Daily Times*, 29 June, p. 9.

- Roberts, Campbell (1988) "Housing", in Royal Commission on Social Policy. (RCSP) *The April report, Volume IV Social perspectives*, Report of the RCSP. Government Printer, Wellington.
- (1992) *Accommodation Supplement: New Zealand's experiment in housing policy*. New Zealand Council of Christian Social Services, Wellington.
- (1995) "The right to housing", in International Year of the Family. *Rights and responsibilities: Papers from the International Year of the family symposium on rights and responsibilities of the family held in Wellington 14 to 16 October 1994*. International Year of the Family, Wellington.
- Robins, Alison (1996) "Statistics New Zealand "Household Expenditure and Income Survey" what can it tell us about standard of living?", in *Social Policy Journal of New Zealand*, Issue 6, July, pp. 183-199.
- Robson, Colin (1993) *Real world research: A resource for social scientists and practitioner researchers*. Oxford, Cambridge (United Kingdom).
- Royal Commission on Social Policy (RCSP) (1988) *The April Report, Volume IV, Social perspectives*. RCSP, Wellington.
- Royal Commission on Social Security (1972) *Social security in New Zealand*. Government Printer, Wellington.
- Rubin, H. J. and Rubin, I. S. (1995) *Qualitative interviewing: The art of hearing data*. Sage Publications, California.
- Rudestam, Kjell Erik and Newton, Rae R. (1992) *Surviving your dissertation*. Sage Publications, Newbury Park.
- Sarantakos, Sotirios (1993) *Social research*. Macmillan Education Australia Pty. Ltd., South Melbourne.
- Sarlo, Christopher (1992) *Poverty in Canada*. The Fraser Institute, Vancouver.
- Scollay, Robert and St. John, Susan (1996) *Microeconomics and the contemporary New Zealand economy*. Addison Wesley Longman New Zealand Ltd., Auckland.
- Sell, Bronwyn (1997) "State dream turns sour: High rents, little hope", in *New Zealand Herald*, 18 September, p. A15
- Shipley, J. (1991) *Social assistance that works: A statement of Government policy on social assistance*, 30 July 1991. GP Print, Wellington.
- Shirley, Ian (1990) "Social policy", in Spoonley, Paul, Pearson, David and Shirley, Ian *New Zealand society: A sociological introduction*. Dunmore Press, Palmerston North.

- Silburn, Richard (1988) "Definitions, meanings and experiences of poverty: A framework", in Saul Becker and Stewart MacPherson (ed.) *Public Issues private pain: Poverty, social work and social policy*. Social Services Insight Books, London.
- Silver, Hilary (1995) "Reconceptualizing social disadvantage: Three paradigms of social exclusion", in Gerry Rodgers, Charles Gore, and Jose B. Figueiredo (eds) *Social exclusion: Rhetoric, Reality, Responses*. International Labour Organisation, Geneva.
- Silverman, David (1993) *Interpreting qualitative data: Methods for analysing talk, text and interaction*. Sage, London.
- Smithies, R. and Wilson, H. (eds.) (1993) *Making choices: Social justice for our times - an initiative of the church leaders in 1993*. GP Print, Wellington.
- Smyth, David (1998) *New Zealand housing policy 1991 to 1997*. Ministry of Housing, Wellington.
- Spicker, Paul (1995) *Poverty and social security: Concepts and principles*. Routledge, London.
- Spoonley, Paul (1994) "The political economy of racism", in P. F. Green (ed.) *Studies in New Zealand social problems*. The Dunmore Press, Palmerston North.
- Starr, Julie and NZPA (1997) "Market rents hit raw nerve: Many forced to share", in *New Zealand Herald*, 1 July.
- Statistics New Zealand (1996) *1996 Official Yearbook*. Statistics New Zealand, Wellington.
- (1997) *Census 96: National summary*. Statistics New Zealand, Wellington.
- (1998a) *Household Economic Survey: Year ended March 1998*. Statistics New Zealand, Wellington.
- (1998b) *1996 New Zealand census of population and dwellings: Incomes*. Statistics New Zealand, Wellington.
- (1998c) *New Zealand Now: Housing*. Statistics New Zealand, Wellington.
- (1998d) *New Zealand Official Yearbook 1998*, 101st edn. GP Publications, Wellington.
- (1998e) *Quarterly employment survey*, November. Statistics New Zealand, Wellington.
- (1999) *Incomes*. Statistics New Zealand, Wellington.

Stephens, R. J. (1988) *Issues in the measurement of poverty and standards of living*, Discussion paper number 48. Department of Social Welfare for the Royal Commission on Social Policy, Wellington.

(1996) "Social services", in Brian Silverstone, Allan Bollard and Ralph Lattimorel (eds) *A study of economic reform: The case of New Zealand*. Elsevier Science B. V., Amsterdam.

Strauss, Anselm and Corbin, Juliet (1990) *Basics of qualitative research: Grounded theory procedures and techniques*. Sage Publications, London.

Taiapa, Julia Te Urikore Turupa (1994) "*Ta te whanau ohanga*" *The economics of the whanau: The Maori component*. The Department of Maori Studies, Massey University, Palmerston North.

Te Puni Kokiri (Ministry of Maori Development)(1998a) *Progress towards closing social and economic gaps between Maori and Non-Maori: A report to the Minister of Maori Affairs*. Te Puni Kokiri, Wellington.

(1998b) *Regional housing issues: Feedback from Maori*. Te Puni Kokiri, Wellington.

Thomas, James (1996) *Economic Issues for New Zealand: Inequality*. Longman Paul Limited, Auckland.

Townsend, Peter (1979) *Poverty in the United Kingdom: A survey of household resources and standards of living*. Penguin Books, Harmondsworth.

Waldegrave, Charles and Sawry, Richard (1994) *The extent of serious housing need in New Zealand 1992 and 1993*. Social Policy Unit, The Family Centre, Lower Hutt, Wellington.

Waldegrave, Charles, Stephens, Bob, and Frater, Paul (1995) *Most recent findings in the New Zealand Poverty Measurement Project*. Family Centre, Wellington.

Waldegrave, Charles and Stuart, Shane (1996) "An analysis of the consumer behaviour of Beneficiaries", in *Social Work Review*, September 1996, pp. 17-21.

Watkin, Tim (1997) "Dwelling in misery", in the *Listener*, July.

Wilson, Anthony G., Lorgelly, K. and Houghton, Ruth M. (1997) *The effect of budget assistance and debt management strategies on low income families seeking budget advice*. University of Otago Consulting Group, Otago.

Young, Maree (1995) *Budgeting for a deficit: A survey of clients of church based budget agencies to investigate the reasons why people seek budget advice*. New Zealand Council of Christian Social services and Salvation Army, Wellington.