

# Social Housing Test Case

We've completed our first social investment test case: social housing. We crunched the numbers on social housing to help understand what benefits there are for those living in a social house.

This test case is the first in a series of building blocks that will help inform future government social investment priorities and decision-making, to help create better outcomes for New Zealanders in need.



Future test cases will investigate other social services delivered to Kiwis.

We analyse data from other agencies (in the case of Social Housing, the data came from the Ministry for Social Development, Ministry of Education and Inland Revenue), and provide independent advice and recommendations to agencies based on our findings.

The data was sourced from Statistics NZ's databases (the Integrated Data Infrastructure, or IDI). All the data used was anonymised before we accessed it, ensuring it was impossible to identify individuals.

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## Social housing helps New Zealanders to lead better lives

One of the original objectives was to calculate the impact on overall government spending when New Zealanders are provided with social housing. This is also known as

a 'fiscal return on investment' (ROI).

While analysis showed it wasn't possible to calculate a complete fiscal ROI (due to limitations of the data currently available), the test case showed that providing social housing helps New Zealanders to lead better lives.

We learnt that when living in a social house:

- **People are in jail for less time** (that's a 25%\* reduction – or \$13m – in Corrections spend)
- **Children are in school for longer** (that's a 6%\* increase – or \$16m – in Education spend)
- **Families access better support** (that's a 4%\* increase – or \$31m – in welfare spend).

The test case also estimated that people in social housing earn less, leading to a \$6m\* reduction in tax paid on income.

\* These figures are best estimates over a six-year period from when people received a social house.

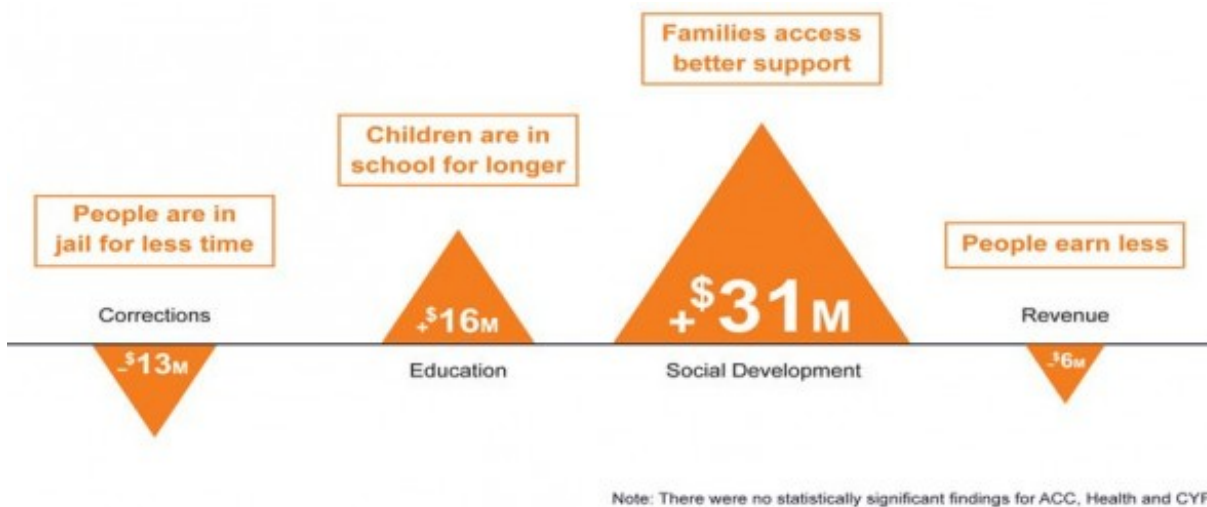


Diagram 1: What we learnt

## The two groups we looked at

The test case used data on two groups of New Zealanders, who:

- Applied for and received social housing
- Applied for and didn't receive social housing.

All the data used related to applications made in 2005/06.

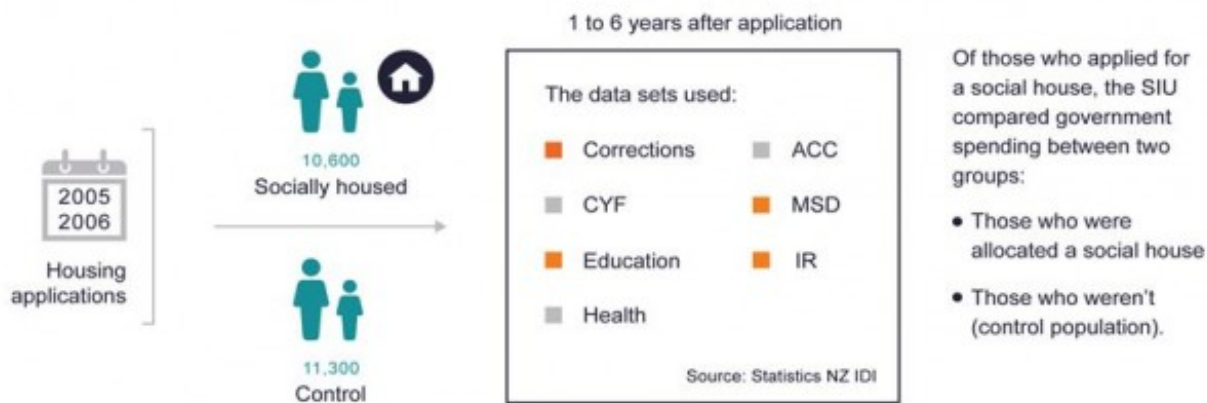


Diagram 2: Who we looked at

Check out the [cost comparisons between these two groups](#) .

## New and reusable tools created

During the test case two inter-connected and time-saving tools were created by the SIA, which can now be used by authorised IDI users (researchers and analysts):

- [Social Investment Analytical Layer](#) (SIAL) – tables that arrange a version of the data held in IDI into a consistent format with a row for each event (e.g. going to school, receiving a benefit, or admission to hospital) experienced by a person.
- [Social Investment Measurement Map](#) (SIMM) – intended for use during the scoping phase of projects, the SIMM contains information on the types measures available before users access the IDI.

All tools and products produced by the SIU are designed to be replicable and reusable.

## Recommendations: address areas to inform future analysis

Of the seven recommendations (available in the Executive Summary and full Technical Report), the SIA will give priority to addressing areas that will help inform future social investment analysis, including:

- Exploring social and economic returns, e.g. getting an education, employment rates, child abuse, etc – to extend the analysis beyond fiscal impacts
- Defining ‘well-being’ so it can be accurately measured
- Breaking down the high level results further, e.g. by region, ethnicity, age, sex, etc.

## More information

- Read the full [Social Housing Technical Report \[PDF, 2 MB\]](#)
- [Cost comparisons for households in social housing](#)
- Peer review by [Sapere Research Group \[PDF, 127 KB\]](#)
- [Abbreviations and glossary](#) .

## Disclaimer

The results in this report are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) managed by Statistics NZ. The opinions, findings, recommendations and conclusions expressed in this report are those of the author(s), not Statistics NZ or other government agencies.

Access to the anonymised data used in this study was provided by Statistics NZ in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business or organisation. The results in this report have been made confidential to protect these groups from identification.

Careful consideration has been given to the privacy, security and confidentiality issues associated with using administrative and survey data in the IDI. Further details can be found in the privacy impact assessment for the IDI available from [www.stats.govt.nz](http://www.stats.govt.nz) .

The results are based in part on tax data supplied by Inland Revenue to Statistics NZ under the Tax Administration Act 1994. This tax data must only be used for statistical purposes. No individual information may be published or disclosed in any other form, nor provided to Inland Revenue for administrative or regulatory purposes.

Any person who has had access to the unit-record data has certified that they have been shown and have read and understood section 81 of the Tax Administration Act 1994, which relates to secrecy. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes and is not related to the data's ability to support Inland Revenue's core operational requirements.

