

Financial capability services to support Pacific households

As part of the Wellbeing Budget we are providing financial capability services to support Pacific households into home ownership and address the community's low home ownership rates in New Zealand.

Budget 2019

- **Financial capability services will be provided to Pacific households per year over four years.***
- Pacific households primarily in Auckland, Waikato, and Wellington that do not currently own a home and have sufficient income to service a mortgage will be eligible to receive financial capability services to help them achieve their home ownership aspirations.
- These services will provide information about the practicalities of purchasing a home, the opportunities and assistance available to them, how to sustain ownership over time, and a plan to help them save for a deposit.
- Pacific peoples have the lowest home ownership rate of any group in New Zealand. Pacific peoples home ownership rate fell from 26% in 2001 to 18% in 2013. This is significantly lower than the home ownership rate of 50% for all of New Zealand in 2013.
- This initiative is about the benefits that home ownership can bestow on a household and the costs associated with being a homeowner.
- Home ownership can lead to better housing satisfaction, improved health and education outcomes for children, wealth effects that enhance resilience that can be passed down through generations, stronger links to their local community, and a sense of achievement from being able to attain something increasingly seen as being out of reach.

Why financial capability services?

Approximately 9,000 Pacific households have sufficient income to potentially service a mortgage. However, raising a deposit and obtaining finance have been identified as the biggest barrier to home ownership for Pacific households.

Delivery

The Government through the Commission for Financial Capability (CFFC) will develop and deliver these services.

- The CFFC is an autonomous Crown entity that helps people get ahead financially by assisting them to be better at managing debt, accumulating savings, owning homes, and being able to weather emergencies.
- The CFFC are well placed to achieve this primarily through their sorted programmes, which provide a variety of financial capability resources, seminars, and bespoke workshops delivered through a network of facilitators with experience in delivering to Pacific households.
- The CFFC also has experience developing programmes with a specific home ownership component for a variety of groups including the Tamaki Regeneration Company (Sorted Regeneration) and Te Puni Kōkiri (Sorted Kāinga Ora).

Budget 2019 provides \$2.64 million of funding that will enable 300 Pacific households per year over four years to access financial capability services to support them into home ownership.