In Confidence

Office of the Minister of Housing
Office of the Minister for Social Development
Office of the Associate Minister of Housing

Chair, Cabinet Social Wellbeing Committee

PREVENTING AND REDUCING HOMELESSNESS IN NEW ZEALAND

Proposal

1.   This paper sets out our vision that homelessness in New Zealand is prevented where possible, or is rare, brief and non-recurring. It seeks support for a strengthened approach to addressing homelessness that recognises the need for cross-agency action in conjunction with iwi and Māori organisations, people with lived experience of homelessness, non-governmental organisations (NGOs), and local authorities.

2.   This paper is just the first stage in our work to prevent and reduce homelessness in New Zealand. It seeks agreement to four early initiatives to fill urgent gaps in our existing response to homelessness and to reduce reliance on motels as emergency accommodation. It also seeks delegated authority for Joint Ministers to make decisions on additional measures to be funded from existing homelessness-related contingencies. Further decisions will be sought from Joint Ministers and where appropriate Cabinet, alongside regular updates on progress.

Executive Summary

3.   A home is essential to wellbeing. A stable and affordable home provides a crucial platform for recovery, employment, education and wider community engagement and participation. Under the official definition, there are more than 41,000 people experiencing homelessness in New Zealand.

4.   It is the Government's ambition that everyone in New Zealand has a place to call home and the support they need to keep it. Over the last two years, our response to homelessness (such as Housing First[1], Transitional Housing[2], and public housing) has been ramped up significantly and further expansion is planned over the next few years. However, there has been increasing demand for housing, growing expenditure on emergency motel accommodation, and issues with how the housing system functions.

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1   Housing First is an internationally recognised approach to house and support long-term chronically homeless people with multiple and complex needs.

2   Transitional housing, including stand-alone houses, contracted motels and relocatable housing (intended to be for 12 weeks and includes tailored support.

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5. Around 1,900 households are currently receiving an Emergency Housing Special Needs Grant (EH SNG)[3], generally to pay for a motel. The cost of an EH SNG (accommodation only) is approximately $1,500 per week and a Transitional Housing place in a contracted motel (with support) is s 9(2)(i) per week. Too many New Zealanders, particularly families with children, are receiving these very costly emergency supports. If we are to reverse the growth in homelessness and end the reliance on motels as emergency accommodation, we need to do things differently.

6. This paper sets out a strengthened approach to preventing and reducing homelessness that recognises that homelessness is a multi-layered issue with many drivers. Some people are homeless due to supply and affordability issues (low income and high housing costs), while others face a range of complex issues (such as mental health and addictions, criminal history, and family violence) and may require ongoing support to maintain housing. As such, increasing the supply of affordable rental housing and public housing will only provide part of the solution.

7. Reversing the growth in homelessness will require a phased multi-year approach and ongoing commitment across government, involving the Ministry of Health, Te Puni Kōkiri, the Ministry for Pacific Peoples, Whānau Ora, Corrections, New Zealand Police and others. We are seeking your support for a strengthened approach that emphasises the need for:

    7.1. a systems approach that works across traditional government agency and system boundaries supported by regional and national leadership

    7.2. a balanced programme of responses with a greater focus on prevention alongside support, supply, and system enablers

    7.3. kaupapa Māori approaches to prevent and respond to Māori homelessness

    7.4. a focus on place-based responses in areas of highest demand: Northland, Auckland, Hamilton, Rotorua, Napier/ Hastings, and Wellington (hot spots)

    7.5. initial prioritisation of families with children and people with known mental health needs in emergency motel accommodation or at risk of homelessness.

8. s 9(2)(f)(iv)

9. We are seeking your agreement for an s 9(2)(f)(iv) or initiatives that address key gaps in the system and provide support to vulnerable people in motels. Funding is sought for:

    9.1. **Sustaining Tenancies** to support households who need help to sustain their tenancy. Providers would be contracted by the Ministry of Housing and Urban

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3 EH SNGs are grants administered by the Ministry of Social Development to help people meet their emergency housing needs, with limited support, where no other better option exists. The EH SNG covers accommodation for up to 7 days at a time and the policy intent is for clients to move quickly form emergency housing to transitional housing or more stable long-term housing as quickly as possible.

Development (HUD) to deliver tailored support, including mental health supports, budget advice and property maintenance support for 550 households a year. This will cost $3.3 million a year and we are seeking $6.6 million over two years in order to guarantee certainty for providers.

s 9(2)(f)(iv)

9.2. **Intensive case management services and navigators** to support clients presenting in housing need with complex needs and who are at high risk of housing instability. This includes families, those with mental health needs and other high-risk clients with a history of housing instability. The Ministry of Social Development (MSD) would support approximately 1,500 people at any point in time. These services would assist clients in both prevention and support with services aligned to meet regional demand. It would cost $8.16 million a year and $31.28 million over four years

9.3. **Support services for all families and those with mental health needs** who are in emergency housing motels (around 1,012 families and 185 people with identified mental health needs nationally) to help them into long-term sustainable housing.

s 9(2)(f)(iv), s 9(2)(b)(ii)

The total cost to deliver this support is $4.20 million per year and $16.10m over four years

s 9(2)(f)(iv)

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Background

Any form of homelessness is damaging and devastating for New Zealanders

14. Homelessness is associated with a range of poor social and economic outcomes. Becoming homeless can be a devastating experience and worsen physical health, mental health and addictions. For a family, it can impact on a child's growth and development as it can take children outside of familiar environments and may involve moving schools and school absences, as well as impacting on mental health.

15. Homelessness is driven by structural issues and system failures (such as poverty, a lack of affordable housing and limited supply, discrimination, welfare support issues and a lack of employment opportunities) and individual vulnerabilities or circumstances (such as trauma, exposure to family violence, mental health and addictions, relationship breakdowns, ill health, and episodes of imprisonment). People who experience homelessness often face multiple forms of disadvantage that mean they are more at risk of homelessness. Discrimination in the rental market is widely acknowledged as an important structural driver of homelessness.

16. Strong family relationships and the availability of social support form an important protective factor against homelessness. However, systems of support sometimes fail people at risk of homelessness and, at worst, can exacerbate homelessness. Some individuals or whānau with complex needs are often not well connected or visible to

services. Administrative procedures, along with a lack of agency co-ordination, can make connecting with services difficult. Gaps in the transition of care between services or transitioning out of services, such as exiting hospital, leaving prison or state care, can leave vulnerable people homeless.

17. New Zealand's official definition of homelessness is broad and includes people sleeping on the street to those in temporary accommodation or sharing with other households. The 2013 Census estimated there were approximately 41,000 New Zealanders in severe housing deprivation. Of those identified as homeless:

   17.1. around 10 percent were without shelter, such as living in cars, sleeping rough or in uninhabitable housing

   17.2. 20 percent in temporary or emergency accommodation, such as camp grounds or night shelters (including MSD and HUD funded accommodation)

   17.3. 70 percent were sharing accommodation with another household, such as those in overcrowded situations or couch surfing.

18. Māori are over represented in areas of unmet housing needs and homelessness and have been particularly hard-hit by the housing crisis. Many Māori live in poor quality or unsuitable housing, and experience negative impacts on health, education and employment. In 2013, in comparison to Pākehā, Māori were five times more likely to be homeless. Nearly 60 percent of the full number of households currently receiving emergency housing support are Māori.

19. Overcrowding is a significant issue for Pacific households. The 2013 Census showed that 38 percent of Pacific households lived in crowded households. The impact of this is reflected in the higher rates of hospitalisations amongst Pacific peoples for infectious diseases attributed to household crowding. Pacific home ownership rates have been declining since 1991, with rates at 18 percent in 2013. The high proportion of Pacific households in the private rental market means that they are particularly vulnerable to increasing rental costs and insecurity of tenure.

20. Other groups particularly at risk of homelessness and overrepresented in homelessness statistics include refugees, rainbow community/takatāpui, disabled people, and people with mental health and addiction needs. Young people make up a high proportion of our overall homelessness statistics with more than half (51 percent) younger than 25.

21. While we do not currently have an up to date estimate of homelessness across New Zealand, given the rising levels of demand for emergency housing and public housing over the last few years, it is expected that the levels of homelessness under the official definition are much higher. Home ownership rates are falling and there is high demand for rental homes at a time when the supply of rental housing is constrained. The lack of affordable housing means that there are fewer options for New Zealanders who struggle to access or afford the private market. People on the margin of the rental market, on low-incomes or benefits, are at risk of homelessness.

22. Some areas in New Zealand have experienced significant increases in homelessness, due to pressures in the housing market. Northland, Auckland Region, Hamilton, Rotorua, Napier/ Hastings, and Wellington Region have been identified as the areas with the highest demand for emergency housing. Three of these locations (Auckland, Hamilton and Wellington) are also refugee resettlement locations.

23. There appears to be a lack of growth, or a reduction in the size of the rental housing stock in many of these locations. This is driven by increased population growth, demand from seasonal workers and, in part, by demand for short-term holiday rentals[4] which has pushed up house prices and rents. Average house prices have increased by over 70 percent in Northland, Hawke's Bay, and the Bay of Plenty over the last five years.[5] In the Wellington region, Rotorua and Hamilton lower quartile rents have all increased by over 10 percent in the last year.[6] In these locations, families with children and individuals with mental health needs have been identified as the most vulnerable cohorts in need of long-term sustainable housing.

Responses are in place, but there are ongoing pressures on the system

24. The Government provides and funds a range of responses to address homelessness including financial support, Housing First, Transitional Housing and public housing. These responses are either delivered by MSD or funded by HUD and delivered by NGOs, Community Housing Providers or Housing New Zealand (HNZ). MSD has responsibility for client facing functions, including assessing eligibility for public housing, managing the Public Housing Register and assessing and paying a range of housing-related financial assistance. HUD pays the Income-Related Rent Subsidy to public housing providers and is the purchaser of Transitional Housing and Housing First places and is the Government's lead advisor on housing policy.

25. Current spending is focused on responding to immediate needs for emergency housing with limited funding for prevention initiatives (beyond public housing Accommodation Supplement (AS) and Housing Support Products). The spend on AS per week is around $31 million and the spend on Income-Related Rent Subsidy to pay for public housing is around $18 million per week. Demand for public housing has risen significantly. The Social Housing Register has gone from approximately 3,500 households in 2015 to over 14,000 households in 2019. In the year ending 31 May 2019, the demand for EH SNG grants has increased by 161 percent. Additional resource funding to MSD has not been reflective of the increase in demand and MSD staff and social services are under increasing pressure.

26. EH SNGs, which are generally used to pay for a motel (without support), are used as a last resort. However, due to a lack of longer-term supply of affordable rental housing, public housing and Transitional Housing and discrimination in the housing market, we are relying more on motels as the need grows. This can be damaging,

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4 Data limitations make it difficult to accurately identify cause and effect, but reduced growth in the supply of rental properties appears to correlate with increased number of AirBnB listings, and with increased demand for accommodation for seasonal workers in some areas. For example, in Hastings Airbnb listings showed a total of 718 active listings in 2019. Of these 536 were "entire place" (75 percent), and 178 were private rooms (25 percent) with a very small proportion of shared rooms (4). The "entire place" properties represent around 17 houses per 1000 dwellings. However, it is unclear what proportion of AirBnB listings were already used as holiday homes rather than previously available as long-term rentals (there were around 2000 unoccupied homes at the time of the 2013 census).
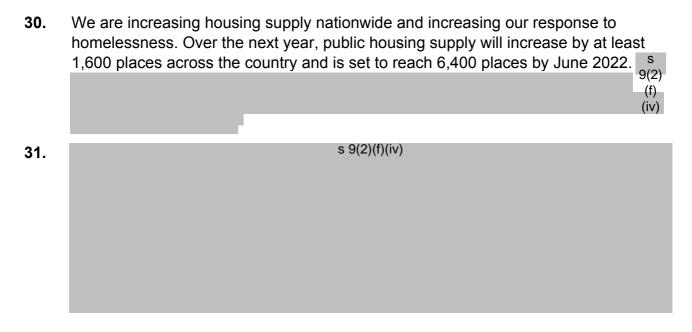
5 The increase in house prices in these regions over the last 5 years to January 2019 according to the REINZ House Price Index.

6 MBIE bond data.

particularly for families with children as it can take children away from familiar environments. Expenditure on EH SNGs for the month of June 2019 was $11.4 million. This spend is not an efficient use of money and does not provide the best long-term outcomes for people and their whānau.

27. People receiving EH SNGs or on the Public Housing Register (but not high priority) receive little active support to find alternative accommodation or address issues that may make it hard for them to sustain housing in the private market. People may end up waiting a long time for public housing and/or trying to access a private rental with limited support in a highly competitive market or cycling through these systems.

28. Using contracted motels (Transitional Housing) is preferable to using EH SNGs because they come with support and we have greater ability to control the quality and cost. However, both forms of motel assistance are costly.[7] People are also needing to stay in Transitional Housing or receive the EH SNG for longer periods of time than intended due to a lack of appropriate long-term accommodation.

29. MSD data shows that 67 percent of people who receive a EH SNG were in the private rental market in the three months prior to receiving an EH SNG. Inadequacy of income, affordability of private rentals, people struggling to maintain a private tenancy, and sale of low-income rentals to first home buyers are likely to be key reasons for people exiting the private rental market into emergency housing.

Government is committed to ending homelessness and work is underway or planned

30. We are increasing housing supply nationwide and increasing our response to homelessness. Over the next year, public housing supply will increase by at least 1,600 places across the country and is set to reach 6,400 places by June 2022. s 9(2) (f) (iv)

31. s 9(2)(f)(iv)

32. Through Budget 2019, HUD received funding:

   32.1. to maintain over 2,800 supported accommodation places through Transitional Housing nationwide. This supply will be a mix of long-term stand-alone

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7 The cost of an EH SNG (accommodation only) is approximately $1,500 per week and a Transitional Housing place in a contracted motel (with support) is s 9(2)(i) per week.

8 For the full report see http://www.weag.govt.nz/assets/documents/WEAG-report/aed960c3ce/WEAG-Report.pdf

houses, relocatable units, seasonal worker accommodation, night shelters and supported contracted motel units

32.2. to support a further 1,044 chronically homeless people through Housing First[9], in high need locations across the country. Housing First launched in the Wellington Region in June 2019 with services for 200 people and whānau and will begin in Northland, Hawke's Bay, Nelson and Blenheim in July 2019

32.3. for an additional 2,250 clients per year to access existing HSPs and for the introduction of Rent Arrears Assistance to help people who do not qualify for other MSD assistance to retain housing and prevent people requiring emergency housing.

33. Along with increasing supply, MSD is taking steps to better support families and those with an identified mental health need in emergency accommodation. The overall aim is to phase out the use of EH SNG motels as the supply of affordable and appropriate rental and public housing increases. However, in the short-term we will need to continue to rely on motels to meet immediate housing needs until viable alternatives become available.

34. A public housing fast-track currently exists to prioritise households with children at risk of contracting rheumatic fever.   s 9(2)(f)(iv)

35. The Government also set aside a contingency in Budget 2019 for refugee housing initiatives. This included around $32.515 million over three years to increase the supply of new build public housing in refugee settlement locations.   s 9(2)(f)(iv)

36.   s 9(2)(f)(iv)

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9 This will raise the number of people the programme can help to 2,700. It is currently helping people in Auckland, Hamilton, Christchurch, Tauranga and Rotorua.

s 9(2)(f)(iv)

We need to do more so that everyone in New Zealand has a place to call home

38. While increased supply of affordable and appropriate rental housing and public housing remains a key part of our response, this will take some time to achieve. We need to do more to reduce the reliance on emergency housing and provide people the support they require to obtain and maintain a tenancy.

39. We propose that the Government adopt the objective that **"homelessness is prevented where possible or is rare, brief and non-reoccurring"**. The desired future state is where:

39.1. homelessness is prevented wherever possible

39.2. immediate housing needs are met

39.3. wellbeing and sustainable housing outcomes are supported.

40. We are seeking your support for a strengthened approach to preventing and responding to homelessness that recognises the many drivers of homelessness and the need for commitment and sustained action across government. Our strengthened approach emphasises the need for:

40.1. a systems approach that works across traditional government agency and system boundaries (including iwi and Māori organisations, people with lived experience of homelessness, NGOs, and local authorities) supported by regional and national leadership

40.2. kaupapa Māori approaches to prevent and respond to Māori homelessness

40.3. a focus on place-based responses in areas of highest demand: Northland, Auckland, Hamilton, Rotorua, Napier/ Hastings, and Wellington (hot spots)

40.4. initial prioritisation of families with children and people with known mental health needs in emergency motel accommodation

40.5. a balanced programme of responses with a greater focus on prevention alongside support, supply, and system enablers.

Taking a systems approach

41. This new approach will require HUD and MSD to work across government agencies and with iwi and Māori organisations, housing providers, people with lived experience of homelessness, NGOs, and local authorities. This means taking a joined-up approach to identify what is working well and gaps and issues across the system. This approach will operate at a national and local level.

Kaupapa Māori approaches

42. We will place an emphasis on taking kaupapa Māori approaches that aim to assist hapū, iwi and Māori organisations to address homelessness in a way that they consider best meets the needs and aspirations of their communities. s 9(2)(f)(iv)

These approaches will support the development of capacity, capability and infrastructure of hapū, iwi and Māori organisations delivering these services. In doing so, we need to better understand, and work closely within, the diverse spectrum of historical and contemporary iwi and Māori structures.

43. As a Treaty partner, the Government's role is to shape a platform that enables Māori to achieve their aspirations. Housing aspirations will be different for Māori around the country. For many, it will be about recognising the deep connections to land and the community which will enable the continued connection to be made by whānau, to address both the appropriate and sustainable long-term housing solutions that will enable Māori to live as Māori in their chosen way. For others, connections to whānau, hapū and iwi may need to be rebuilt as part of providing solutions. The aim is to unlock the potential of Māori land, for whānau to be able to reconnect to their whenua where that is possible, and to build and contribute to their communities.

44. s 9(2)(f)(iv)

Prioritising families with children and people with known mental health needs

45. We are proposing to initially prioritise families with children and people with mental health needs in emergency motel accommodation receiving EH SNGs to ensure they have access to support and can access sustainable housing. This is in line with Government's priorities to reduce child poverty and improve child wellbeing, as well as improve support for those with mental health needs.

46. Children are a priority cohort because they are at higher risk of poor outcomes, including future homelessness, the longer they stay in poverty and housing insecurity. There is strong evidence that growing up in poverty, can harm children's wellbeing in multiple ways. Homelessness, including poor quality and overcrowded

housing, can impact on health and school performance[11] and frequent moves can lead to social dislocation[12] and behavioural problems.[13]

47. People with mental health needs are a proposed priority cohort for support because housing strongly underpins mental wellness. Management and recovery require stable and appropriate housing arrangements that include support. Budget 2019 provided substantial investment in mental wellbeing initiatives. These initiatives are expected to have a positive impact on health and other social and economic outcomes, including homelessness prevention.

48. There is also another group of high-risk clients who frequently cycle in and out of emergency housing or unstable housing situations and are likely to be high users of government services. These clients are usually well known to services and agencies and may have complex needs. They may also be lower priority on the Social Housing Register and need extra and ongoing support in the private market. We want to provide MSD the flexibility to support these high-risk clients.

A focus on hot spot locations

49. Six locations have been identified where homelessness is an increasing and serious issue. These hot spots were identified based on several factors, including advice from MSD and HUD's regional experts and demand for EH SNGs. These locations are Northland, Auckland Region, Hamilton, Rotorua, Napier/ Hastings, and Wellington Region.

50. The scale and provision of the place-based responses will change depending on the needs identified. For example, Rotorua has a higher number of adults without children in EH SNG motel accommodation, whereas Hamilton has a high number of families. Rotorua may therefore need more support provided to people in motel accommodation, whereas Hamilton may need more alternative accommodation sourced for families to exit motels.

51. All responses will be developed and delivered in partnership with HNZ, local providers and community organisations. MSD Regional Commissioners will lead the on the ground response in hot spot locations with support from HUD officials. Existing cross-agency groups in the hot spot locations will be used in the first instance as local governance or co-ordination mechanisms. Progress in hot spot locations will be regularly reported to the already established Chief Executive and Deputy Chief Executive Homelessness Groups and to Joint Ministers.

A balanced programme of responses to prevent and respond to homelessness

52. Drawing of internationally successful plans, which include a mix of prevention and supply responses, our proposed response is comprised of the following elements:

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11 Expert Advisory Group on Solutions to Child Poverty (2012)

12 Social and Economic Impacts of Housing Tenure – Report for the NZ Housing Foundation (2016)
- Exploring Security of Tenure through Co-Design, MBIE/Auckland Council/Auckland Co-Design Lab (2015)
- From social renting to housing independence – the social and economic impacts of housing tenure, NZ Housing Foundation, Research Bulletin (April 2017).

13 Evans, G. (2004) The environment of childhood poverty. American Psychologist, 59(2), 77-92

52.1. Prevention: helping people retain tenancies, address issues that put tenancies at risk and supporting people at points where they are at high risk of homelessness

52.2. Support: supporting people into stable accommodation and to access wider social support

52.3. Supply: increasing supply across the housing continuum targeted at addressing homelessness and phasing out motel use

52.4. System enablers: components needed to comprehensively address homelessness.

53. Further information is provided on these elements below along with three initiatives where we are seeking your approval for initial drawdown from the contingencies.

Prevention: Stopping homelessness from happening in the first place

54. Homelessness is not inevitable. A range of targeted and accessible support at the right time can prevent someone from becoming homeless or needing emergency housing, address issues that put tenancies at risk and support people at points where they are at risk of homelessness. There is currently limited investment in prevention, apart from less targeted supports, such as HSPs, AS and TAS.

55. There are several types of supports and options that can be tailored for different cohorts, including young people, women, victims of family violence, disabled people, rainbow community/takatāpui, Māori, Pacific peoples, refugees and migrants. These could include financial assistance and support to establish or maintain a tenancy or to navigate the housing market. s 9(2)(f)(iv)

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56. We also know that people are not well supported to transition out of state services (including state care, hospitals, and prisons), resulting in high levels of homelessness for these individuals. Evidence suggests supporting people to transition out of state services will result in a range of benefits, including a reduction in high-cost intensive health services. It could also result in a reduction in prison numbers, recidivism and use of justice sector services, an increase in employment and educational achievement and greater social participation and connectedness.

57. s 9(2)(f)(iv)

58. This could include improving existing initiatives and improving consistency in discharge or release practices, through improvements in data sharing. The Social Investment Agency has been funded to roll out and embed the Data Exchange across the social sector. The Data Exchange allows the safe, secure and easy sharing of data from organisation to organisation, under appropriate information sharing agreements.

59. The Data Exchange could help to improve service effectiveness and outcomes of the homelessness initiative by facilitating secure data connections between government departments and other organisations to allow for smoother and faster transitions out of state services and into available housing. Oranga Tamariki, MSD and Corrections are already connected to the Data Exchange, and the Social Investment Agency is working with HUD to implement the Data Exchange.

60. Accessing safe and stable accommodation is a key challenge for young people and addressing their housing needs is often necessary to help improve other outcomes. In Budget 2019, the Government committed $153.7 million in funding to establish a new transition support service to support young people leaving statutory care or a youth justice residence. This included $1.2 million in funding for 30 supported housing placements, scaling up to 60 placements over three years and building on the Supported Living Pilots currently being delivered in Auckland and Wellington.

s 9(2)(f)(iv)

61. s 9(2)(f)(iv)

62. In the first instance, we recommend [s 9(2)(f)(iv)] Sustaining Tenancies and to provide intensive case management to households with complex needs and who are at high risk of housing instability. This includes families, those with mental health needs and single adults with a history of housing instability. [s 9(2)(f)(iv)]

[s 9(2)(f)(iv)]

63. As part of our prevention response to homelessness, we are seeking Cabinet's agreement [s 9(2)(f)(iv)] the Sustaining Tenancies programme. Sustaining Tenancies is a prevention programme which provides funding for community-based providers to support households in private or public housing who need help to sustain their tenancy.

64. We know that people who leave their rented accommodation in adverse circumstances can experience homelessness and its associated social and health harms. It is therefore critical we have a prevention intervention which supports people to remain in their tenancy and helps them avoid homelessness.

65. Sustaining Tenancies is currently operating as a trial in Auckland, Wellington and Christchurch, through eight providers, supporting around 500 tenants in public housing. [s 9(2)(f)(iv)] To address these issues, the immediate change is to shift it from operating it as a trial, to running as a full programme. In addition, changes will be made to contracts with providers to make the expectations of deliverables clear and improve accountability.

66. [s 9(2)(f)(iv)]

67. Extending the current contracts will support up to 550 households a year until 30 June 2021 and will cost $3.3 million a year and $6.6 million over two years. This will give providers certainty of funding. Anything less would not be giving providers the financial certainty they need for staff and other resourcing issues. This is a critical component of our homelessness response in the short-term, as it will specifically focus on locations of high need and help prevent the need for emergency accommodation by helping people sustain their current tenancies. HUD estimate that approximately 100 households who are currently supported by Sustaining Tenancies will remain in the service to 30 June 2020. Any households who require continued support to sustain their tenancies will remain as clients in the service [s 9(2)(f)(iv)]

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s 9(2)(f)(iv)

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We recommend introducing intensive case management services and navigators

70. We recommend [s 9(2)(f)(iv)] is provided to MSD to introduce intensive case management services and navigators to support clients with complex needs who present to MSD while in housing need. This includes families, those with mental health needs and people with a history of housing instability. We are seeking agreemen [s 9(2)(f)(iv)] $31.28 million over four years ($8.16 million per year) to provide these services nationally.

71. People experiencing homelessness present to MSD with a variety of support needs. MSD may not have the ability to address all their needs at the time of presentation. Having a single point of contact to help people experiencing homelessness navigate and access services will enhance their ability to receive the support they need. There are opportunities to increase the stability of housing for some individuals by ensuring that they get the support they are entitled and the support services they need to address risk factors for homelessness. This will also crucially reduce pressure on existing MSD staff and allow more time to work with clients who have higher needs.

72. Intensive housing case management provided by MSD would take a holistic approach to the client needs to reduce the risk of housing instability. This could include services, such as support to improve their overall wellbeing, access the private market, using a family group conference approach to sustain housing rather than needing emergency housing, and linking people with community-based agencies to support them in a strengths-based way.

73. Although not currently budgeted for, intensive case management is already being delivered in several regions through realigning current resourcing. Using this approach, Northland has seen a reduction in the number of people in EH SNG motels because staff are working intensely with people upfront and supporting whānau. For example, in one week over 20 clients presented for emergency housing but with intensive case management only one of those clients received an EH SNG.

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14 HNZ has a strong focus on sustaining its tenancies to avoid tenancies ending with adverse outcomes for the household. This means HNZ will not end tenancies for matters such as tenancy breach, debt and anti-social behaviour, but will work with the household and the community to resolve issues and access the right support. This approach has sustained the tenancies of a number of households who may have otherwise ended up homeless.

74. Where a client needs more support than an intensive case manager can offer, MSD would consider a navigator type service. Navigators could coordinate services and provide ongoing support to address client's needs from a housing perspective. The role could involve personalised planning and coordinating services by working with providers, health professionals, and a range of government and community agencies. This could include fostering stronger collaboration between central and local government, iwi, and community organisations and building on local networks.

75. s 9(2)(g)(i)

Support: Supporting people into stable accommodation and to access wider social support

76. We need to work closely with people experiencing homelessness to support them to find stable and sustainable housing solutions. This will involve identifying and addressing a range of needs, including the need for on-going support. Individuals and whānau need to be supported to navigate through the system, so that they do not cycle round the system or get stuck in short-term solutions. Some ways that people who are homeless, including those in emergency accommodation, can be supported to successfully establish and maintain a tenancy include:

   76.1. **programmes that provide tailored support and housing**, such as the Housing First programme, by supporting people to obtain permanent housing and providing intensive wrap-around support services

   76.2. **ongoing support for people with complex needs**, such as a case-management or housing navigator approach for people who have experienced homelessness and have complex needs. Support could be provided on an ongoing basis to help navigate housing and other support services

   76.3. **support while in emergency housing**, such as needs-based support to coordinate services and help people transition into permanent housing. There are also opportunities to provide greater support to people who have left emergency housing to reduce their risk of future homelessness.
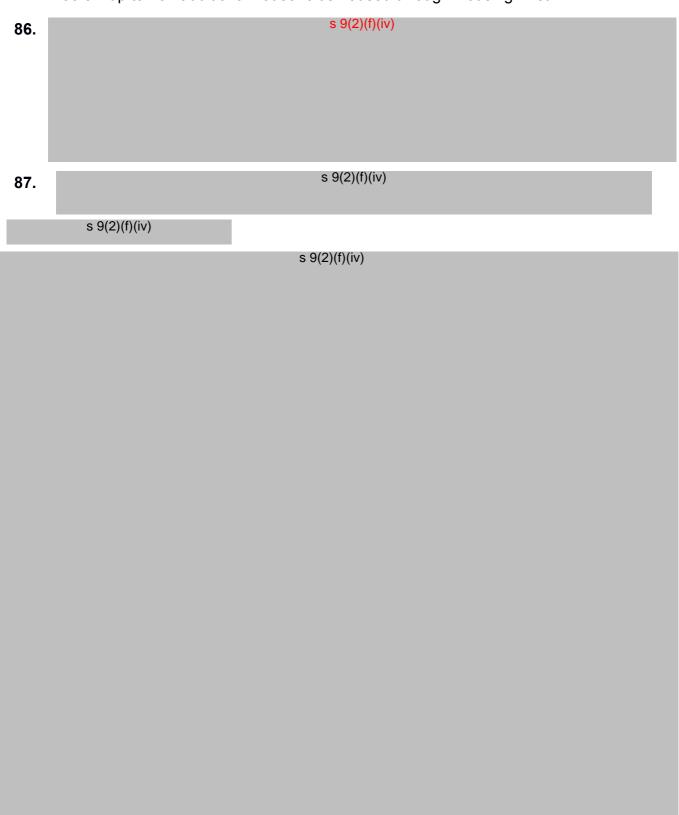
77. s 9(2)(f)(iv)
   Initially, we are seeking Cabinet's agreement to provide support services to people receiving EH SNGs with a focus on families with children and people with mental health needs. Capacity and capability-building of the mental health and addiction workforce may be required to support the delivery of additional homelessness response and prevention initiatives. This will need to link in with implementation of the Budget 2019 mental wellbeing initiatives within communities across New Zealand.

We recommend providing support services for people receiving EH SNGs in motels

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78. We recommend that support services are provided across New Zealand to families with children and people with mental health needs who are receiving EH SNGs in motels. Support services would assist people into long-term sustainable housing.

79. s 9(2)(f)(iv)

80. s 9(2)(f)(iv)

81. Tailored support will be provided to respond to the needs of these households. For example, some households may require housing brokerage assistance while others may need more intensive and ongoing support. Responses for Māori and Pacific New Zealanders will be tailored to reflect cultural preferences, for example helping to find housing that is suitable for larger families and multi-generational living.

82. s 9(2)(f)(iv), s 9(2)(j)

83. s 9(2)(f)(iv)

s 9(2)(f)(iv)

84. HUD will continue to focus on bringing on as many additional public housing, Transitional Housing and Housing First places as possible within the funding provided through Budgets 2018 and 2019. Despite the significant investment already made, demand for public housing is increasing faster than new supply can be added and, in some locations, there is limited or no increase planned.

85. From June to October 2019, at least 1,600 places will be delivered to support people who are in or at risk of homelessness in the hot spot locations. This is made up of:

85.1. up to 1,266 public housing places
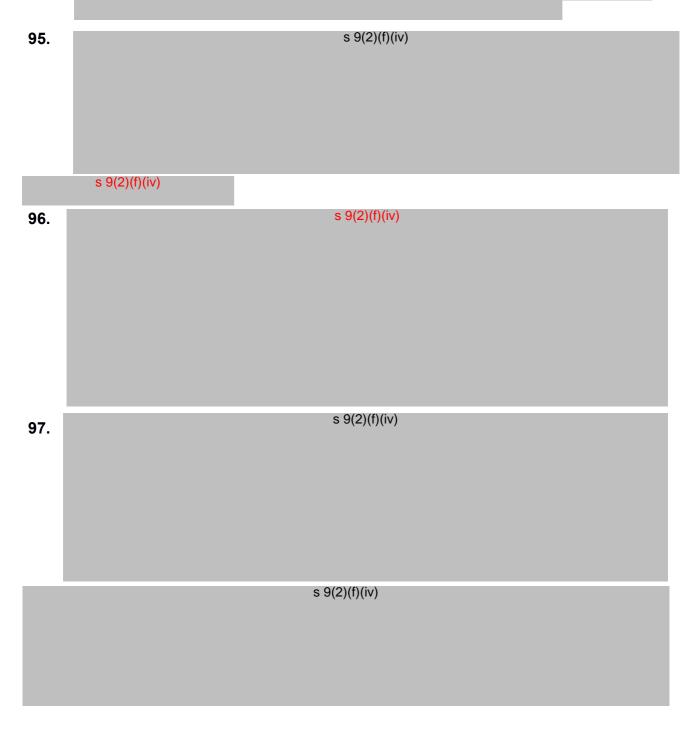
85.2. up to 180 Transitional Housing places

85.3. up to 162 additional households housed through Housing First.

86.   s 9(2)(f)(iv)

87.   s 9(2)(f)(iv)

s 9(2)(f)(iv)

s 9(2)(f)(iv)

Transitional Housing supply

93. There is currently a total of 2,789 transitional housing places capable of supporting up to 11,000 households per year. Of this, HUD currently contracts 66 motels

nationally that are due to expire in October 2019 for use as supported transitional housing, with 787 places available to support up to 3,000 households per year.

94. In the short-term, the focus is on delivering Transitional Housing to reduce reliance on EH SNGs without support (and in the shorter-term providing support services to people currently in EH SNGs motels). To do this, contracted motels could be used to support people in emergency housing need where there are not constraints (such as in tourist areas). The main difference between these types of motels is the provision of support services in contracted motels, which will help address the root cause of the client's housing need. We also have more ability to control the quality of contracted motels. s 9(2)(f)(iv)

95. s 9(2)(f)(iv)

s 9(2)(f)(iv)

96. s 9(2)(f)(iv)

97. s 9(2)(f)(iv)

s 9(2)(f)(iv)

s 9(2)(f)(iv)

Longer-term changes

99. s 9(2)(f)(iv)

100.

101. Place-based assessments in the hot spot locations will also help us to better target housing and housing related services and help us to understand the scale and nature of housing need. This will result in continual improvements in the delivery of secure tenure options in areas of high need.

102. HUD is also working closely with HNZ on improving accessibility across the housing system. s 9(2)(f)(iv)

System enablers: components needed to comprehensively address homelessness

103. Key components needed to comprehensively address homelessness and track progress include:

103.1. improved information and regular data on homelessness
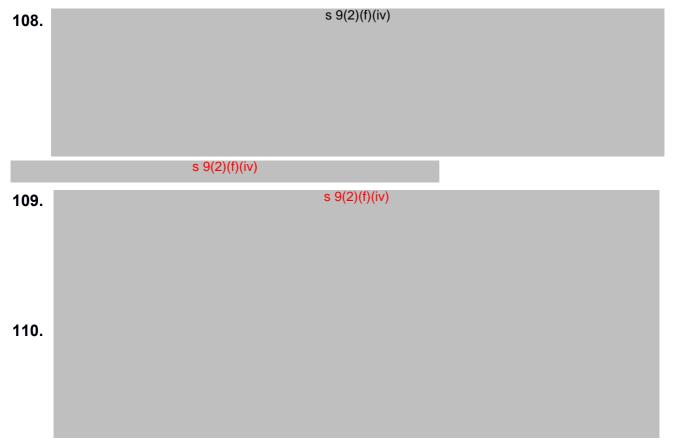
103.2. s 9(2)(f)(iv)

103.3. a plan of shared actions to prevent and reduce homelessness.
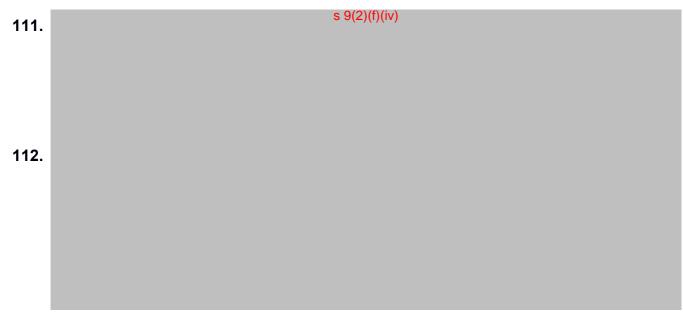
104. To prevent, address and respond to homelessness, we need better information on the key drivers and scale of the problem. For example, more information about people who are currently in emergency housing – their characteristics, and circumstances prior to being placed in emergency housing, such as the role of family violence. Government data shows increasing demand for housing support, but only captures people who access government assistance. Anecdotally, we know there is a significant 'hidden homeless' population (such as people in boarding houses, camping grounds or sharing accommodation) who do not access government

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housing assistance, or are turned away from providers who have no capacity to provide help.

105. While the Census provides an estimate of the full homeless population across New Zealand, it cannot be regarded as providing a complete picture. A new official estimate of homelessness produced by the University of Otago using 2018 Census data will be available in 2020 (exact timing is dependent on the release of Census data). Improving data on homelessness will build a stronger evidence base for informing responses to homelessness and funding decisions.

s 9(2)(f)(iv)

106.

s 9(2)(f)(iv)

107. One example of a local initiative underway to address street homelessness through a systems approach is the Inner City Auckland Homelessness Initiative (ICAHI), which is sponsored by the Auckland Social Sector Leaders' Group (ASSLG) and involves regional government agencies, local health boards, Māori organisations and NGOs.

108.

s 9(2)(f)(iv)

s 9(2)(f)(iv)

109.

s 9(2)(f)(iv)

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111. s 9(2)(f)(iv)

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112.

This is just the start of our work to end homelessness in New Zealand

113. We believe it is possible to significantly reduce homelessness in New Zealand. s 9(2)(f)(iv)

s 9(2)(f)(iv)

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s 9(2)(f)(iv)

s 9(2)(f)(iv)

Consultation

121. This paper has been prepared by HUD and MSD. In parallel with Ministerial consultation, the Ministries of Health and Justice, the Treasury, Te Puni Kōkiri, the Ministry for Pacific Peoples, Housing New Zealand, Oranga Tamariki, New Zealand Police, and the Department of Corrections were consulted. The Department of Prime Minister and Cabinet was informed.

122. We plan to engage with providers, iwi, local authorities, people with lived experience to inform the development of the national homelessness action plan.

Financial Implications

123. s 9(2)(f)(iv)

124. A total of $53.980 million is sought from the s 9(2)(f)(iv) to fund the following initiatives:

124.1. **Sustaining Tenancies** to support households who need help to sustain their tenancy. Providers would be contracted by the Ministry of Housing and Urban Development (HUD) to deliver tailored support, including mental health supports, budget advice and property maintenance support for 550 households a year. This will cost $3.3 million a year and $6.6 million over two years in order to guarantee certainly for providers. s 9(2)(f)(iv)

124.2. **Intensive case management services and navigators** to support clients presenting in housing need with complex needs and who are at high risk of housing instability. This includes families, those with mental health needs and other high-risk clients with a history of housing instability. The Ministry of Social Development (MSD) would support approximately 1,500 people at any point in time nationally. These services would assist clients in both prevention and support with services aligned to meet regional demand. It would cost $8.16 million a year and $31.28 million over four years

124.3. **Support services for all families and those with mental health needs** who are in emergency housing motels (around 1,012 families and 185 people with identified mental health needs nationally) to help them into long-term sustainable housing. s 9(2)(f)(iv)

Legislative Implications

125. There are no legislative implications arising from this paper.

Impact Analysis

126. A regulatory impact statement is not required for the proposals in this paper.

Human Rights

127. This Policy proposal is consistent with the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

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Gender Implications

128. There are no specific gender implications. The proposals may positively impact more women as they are more likely to receive an EH SNG (over 60 percent).

Disability Perspective

129. The initiatives proposed should positively impact on disabled people as they experience high rates of homelessness.

Publicity

130. A communications plan will be developed prior to engaging with the sector, iwi, local authorities and people with lived experience of homelessness.

Proactive Release

131. This Cabinet paper will be released proactively, subject to any redactions as appropriate under the Official Information Act 1982.

Recommendations

132. It is recommended that the Committee:

1. **note** that homelessness is a growing issue across New Zealand with increasing demand for public housing and growing expenditure on emergency accommodation

2. **note** that six locations have been identified as areas of highest demand (hot spots): Northland, Auckland, Hamilton, Rotorua, Napier/Hastings, and Wellington Region

3. **note** that the government provides and funds a range of responses to address homelessness including financial support, Housing First, Transitional Housing and public housing

4. **note** that this Government is committed to doing more to prevent and respond to homelessness
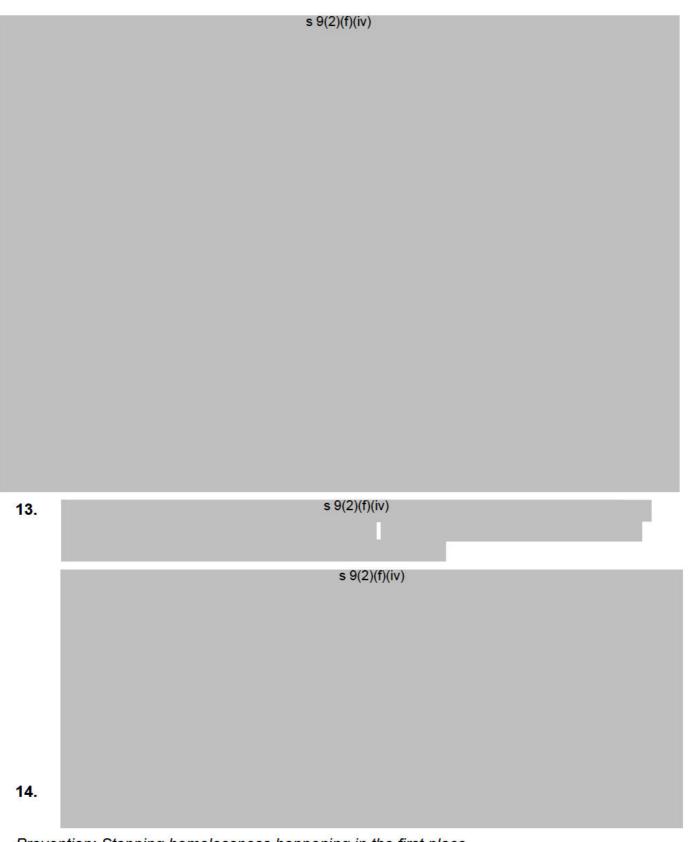
Overall package of responses

5. **agree** to the overall vision: that homelessness is prevented where possible, or is rare, brief and non-recurring

6. **agree** to a strengthened approach to addressing homelessness that recognises the need for cross-government action in conjunction with iwi and Māori organisations, people with lived experience of homelessness, non-governmental organisations, and local authorities

7. **agree** that a balanced programme of responses with a greater focus on prevention alongside support, supply, and system enablers are developed in line with the above vision and approach

8. **note** that this is just the first step in this Government's work to prevent and reduce homelessness in New Zealand and further decisions will be sought from Joint Ministers and where appropriate Cabinet, alongside regular updates on progress

9. s 9(2)(f)(iv)

10.

s 9(2)(f)(iv)

13.   s 9(2)(f)(iv)

s 9(2)(f)(iv)

14.

Prevention: Stopping homelessness happening in the first place

15.   **agree** to extending current Sustaining Tenancies contracts in Auckland, Wellington and Christchurch until 30 June 2020 and include support for people in private rentals

16.   s 9(2)(f)(iv)

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18.

19. **approve** the following changes to appropriations to provide for the decision in recommendations 15 and 16 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Housing and Urban Development Minister of Housing	$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure: Public Housing MCA Non-departmental Output Expense: Services for People in Need of or at risk of Needing Public Housing	3.30	3.30	-	-	-
Total Operating	3.30	3.30	-	-	-

20. **agree** to the Ministry of Social Development introducing intensive case management services and contracting navigators to support families, those with mental health needs and client with a history of housing instability with complex needs who present in housing need

21. **approve** the following changes to appropriations to provide for the decision in recommendation 20 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Social Development Minister of Housing	$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense: Services to Support People to Access Accommodation (funded by revenue Crown)	6.80	8.16	8.16	8.16	-
Total Operating	6.80	8.16	8.16	8.16	-

Support: supporting people into stable accommodation and to access wider social support

22. **agree** to the Ministry of Social Development contracting service providers to provide support services for all families and those with a known mental health need who are in emergency housing motels

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23. **approve** the following changes to appropriations to provide for the decision in recommendations 22 above, with a corresponding impact on the operating balance and net core Crown debt:

	$m – increase/(decrease)				
Vote Social Development Minister of Housing	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24 & Outyears**
Departmental Output Expense: Services to Support People to Access Accommodation (funded by revenue Crown)	3.50	4.20	4.20	4.20	-
Total Operating	3.50	4.20	4.20	4.20	-

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s 9(2)(f)(iv)

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26. **agree** that the proposed changes to appropriations for 2019/20 in recommendations 19, 21 and 23 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply

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s 9(2)(f)(iv)

28.

s 9(2)(f)(iv)

Supply: increasing supply targeted at addressing homelessness and phasing out motel use

30. **agree** that the Ministry of Housing and Urban Development begin engagement with housing providers to understand what additional public housing and Transitional Housing supply (purchase/lease) is available in hot spot locations and housing providers capacity to deliver it   s 9(2)(f)(iv)

31. **note** of the 2,789 transitional housing places, the Ministry of Housing and Urban Development contracts 66 motels nationally that are due to expire in October 2019 for use as supported transitional housing, with 787 places available to support up to 3,000 households per year

32.   s 9(2)(f)(iv)

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Authorised for lodgement

Hon Dr Megan Woods
Minister of Housing

Hon Carmel Sepuloni
Minister for Social Development

Hon Kris Faafoi
Associate Minister of Housing (Public Housing)