



s 9(2)(a)

Tēnā koe ^{s 9(2)(a)}

Thank you for your emailed dated 10 September 2025 to Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (the Ministry) requesting the following information under the Official Information Act 1982 (the Act):

- *Copies of all briefings provided to Ministers since 1 July 2025 concerning options for addressing the growing number of people who are homeless or sleeping rough.*
- *Copies of all emails and other advice provided to Ministers or their staff since 1 July 2025 following requests from Ministers or their staff for information about options for addressing the growing number of people who are homeless or sleeping rough.*

Four documents have been found to be within scope of your request and are released to you with some information withheld under the following sections of the Act:

Section of Act	Reason to withhold
9(2)(a)	To protect the privacy of natural persons.
9(2)(f)(iv)	To maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.
9(2)(g)(i)	To maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or employees of the Ministry.
9(2)(j)	To enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

The documents are detailed in the attached document schedule.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the decision to withhold information under section 9 of the Act is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review of my response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman’s website at: www.ombudsman.parliament.nz.

As part of our ongoing commitment to openness and transparency, the Ministry proactively releases information and documents that may be of interest to the public. As such, this response, with your personal details removed, may be published on our website.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'Steele', enclosed within a thin black rectangular border.

Jeremy Steele

General Manager Housing Supports & Supply Policy

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

Annex A: Document schedule

Documents released – HUD2025-008061			
	Date	Document	Section of the Act applied
1.	1 August 2025	HUD2025-007568: Advice on short-term actions to address homelessness	9(2)(a) 9(2)(f)(iv) 9(2)(j)
2.	7 August 2025 10:02 AM	RE: REVIEW BY 10AM draft commissioning email for next piece of short term actions advice	9(2)(a) 9(2)(f)(iv) 9(2)(g)(i)
3.	14 August 2025	HUD2025-007725: Further advice on short-term actions to address homelessness	9(2)(a) 9(2)(f)(iv) 9(2)(g)(i) 9(2)(j)
4.	22 August 2025	HUD2025-007873: Approval for a one-off funding transfer for actions to address homelessness	9(2)(a)

Briefing

ADVICE ON SHORT-TERM ACTIONS TO ADDRESS HOMELESSNESS			
To Minister	Hon Chris Bishop	Portfolio	Minister of Housing
	Hon Louise Upston	Portfolio	Minister for Social Development
	Hon Tama Potaka	Portfolio	Associate Minister of Housing
CC Minister	Hon Mark Mitchell	Portfolio	Minister for Corrections
	Hon Matt Doocey	Portfolio	Associate Minister of Health; Minister for Mental Health
Date	1 August 2025	Priority	High
Tracking number	HUD2025-007568/ REP/25/7/576		

ACTION SOUGHT	
Action sought	Feedback on options for addressing homelessness in the short term
Deadline	6/08/2025

CONTACT FOR DISCUSSION			
Name	Position	Telephone	1st contact
Jeremy Steele	General Manager, Housing Supports and Supply	s 9(2)(a)	✓
Laura Miller	Manager, Responding to Severe Housing Need		
Julia Bergman	MSD General Manager Housing, Employment and Labour Market Policy		
Karen Hocking	MSD Group General Manager Enablement		

OTHER AGENCIES CONSULTED
Department of Prime Minister and Cabinet (DPMC) and the Treasury were engaged on early versions and concepts only.

RECOMMENDED ACTIONS		
It is recommended that you:		
1.	Note that you have requested advice on targeted actions that optimise existing supports and new ideas to reduce numbers living without shelter in the short term	<i>Noted</i>
<i>Local focus on reducing number of people living without shelter</i>		
2.	Note identified short-term actions to address homelessness will be supported by building on existing locally-led housing co-ordination groups	<i>Noted</i>
<i>Optimising and getting the most from existing supports</i>		
3.	Note HUD and MSD will progress further steps to optimise and utilise Transitional Housing (TH)	<i>Noted</i>
4.	Agree to HUD and MSD progressing the following actions:	
	<ul style="list-style-type: none"> Improve and prioritise access to social housing for unhoused Housing First clients 	<i>Agree/Disagree</i>
	<ul style="list-style-type: none"> Expanded use of support for people experiencing or at risk of homelessness due to unpaid rent 	<i>Agree/Disagree</i>
	<ul style="list-style-type: none"> Expanded guidance for MSD staff on the use of discretion in assessing emergency housing grants 	<i>Agree/Disagree</i>
<i>Targeted use of additional supply or supports to address specific issues</i>		
5.	Agree to HUD and MSD progressing the following actions:	
	<ul style="list-style-type: none"> Additional targeted TH places and services 	<i>Agree/Disagree</i>
	<ul style="list-style-type: none"> Establish new 24/7 short-term housing with supports and triage 	<i>Agree/Disagree</i>
	<ul style="list-style-type: none"> Additional targeted supply of Social Housing in the short-term 	<i>Agree/Disagree</i>
	<ul style="list-style-type: none"> Investment in additional targeted outreach 	<i>Agree/Disagree</i>
	<ul style="list-style-type: none"> Cross-agency initiatives aimed at transitioning populations or better co-ordination 	<i>Agree/Disagree</i>



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development



MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

<i>Next steps</i>		
6.	Agree to receive a progress update on the agreed actions by the end of August 2025	<i>Agree/Disagree</i>
7.	Agree subject to your decision that, we will progress work towards implementation and/or provide detailed advice to seek any further decisions as required and outline any financial implications.	<i>Agree/Disagree</i>

Hon Chris Bishop
Minister of Housing
..... / /

Hon Louise Upston
Minister for Social Development and Employment
..... / /

Hon Tama Potaka
Associate Minister of Housing
..... / /

Jeremy Steele
General Manager, HUD, Housing Supports and Supply
1 / 8 / 25

Julia Bergman (pp Alex McKenzie)
General Manager Housing, Employment and Labour Market Policy, MSD
....1. / ...8... / ...25...

Purpose

1. To provide advice requested on actions that would make a difference in the short term for people who are living without shelter, including those who are sleeping on the streets or in cars (this may be those who have experienced a recent life shock or those who have been without shelter for an extended period).

Executive summary

2. We recommend that further efforts to address homelessness in the short-term (3-6 months) are targeted on those living without shelter. This includes those who are sleeping on the streets or in cars (who have experienced a recent life shock or those who have been without shelter for an extended period). This is the sharp end of homelessness and where there is greatest potential to reduce harm and wider costs to society.
3. People living without shelter represent a diverse and highly vulnerable cohort. According to the 2023 Census, an estimated 4,965 people were living without shelter nationwide. The median age was 55 years and 44 percent were females. Māori consistently make up many of those living without shelter (23.6 percent at the 2023 Census or 58 percent of those in Housing First).
4. We recommend that actions initially focus on main centres including Auckland, Hamilton, Wellington and Christchurch. These locations all have issues with increasing numbers of people living without shelter and potential to ramp up responses in short-term. A key part of these responses will be building on existing locally-led housing co-ordination groups to develop and implement local plans to reduce homelessness.
5. We propose the following actions focused on **getting the most from existing services, programmes, supports and housing**:
 - further steps to optimise and utilise transitional housing (already underway)
 - explore options to improve and prioritise access to social housing for unhoused Housing First clients
 - expanded use of support for people experiencing or at risk of homelessness due to unpaid rent
 - expanded guidance for MSD staff on the use of discretion in assessing emergency housing grants.
6. Alongside this we recommend **targeted additional supply and other supports** to maximise impact. These could help address specific needs (both in terms of typology and appropriate providers) of singles with higher needs. These options have fiscal implications but would expand capacity and fill gaps:
 - additional targeted transitional housing (TH) places focused on those living without shelter and high needs

- additional targeted social housing places via CHPs leasing properties
 - investment in additional targeted outreach.
7. If agreed we will engage with providers, key stakeholders, partner agencies, iwi, and local councils to fully scope, cost, and test feasibility for the options. We will also work through the fiscal implications and potential budget prioritisation choices. We will seek any required funding decisions via further advice by the end of August 2025.

Context

8. Significant progress has been made in reducing the use of Emergency Housing (EH) and Target 8 has been achieved. However, there continues to be large numbers of people living without shelter, including those sleeping rough (see Homelessness Insights Report June 2025 [HUD2025-007240]).
9. It is not possible to determine the extent to which the recent increase in the number of people living without shelter is attributable to policy changes or simply reflects existing trends and broader economic and social contexts. However, stakeholders have pointed to a range of factors, including government policy and operating practices to tighten the emergency housing gateway (however, we note that numbers in EH had begun to decline even before the implementation of the EH gateway changes)¹ lack of affordable housing, fewer housing options for single people and other place-specific reasons.
10. This paper focuses on **short-term options** that can be implemented in the next 3-6 months that will make a difference in reducing the number of people living without shelter (including rough sleepers and those temporarily living in cars). It includes options to better utilise existing programmes and services and further targeted interventions. It is informed by insights from providers and the sector.
11. These actions are intended as an immediate response as work on the broader system is completed. In the **medium-term** actions are being progressed through the reset of housing and support programmes (Reset) s 9(2)(f)(iv)
12. **Longer term**, the Government's focus is on fixing the fundamentals of New Zealand's housing market: freeing up land, removing planning barriers, improving infrastructure funding, and giving councils stronger incentives to support housing growth. Although this will take time to achieve impact, this work seeks to shift the housing system to improve housing outcomes for all New Zealanders, including those who are homeless.

¹ The numbers in EH declined from 2,976 in December 2023 to 1,959 by June 2024 (a decrease of 34 percent or 1,017 households). Source: MSD Deep Dive Report, July 2024 (REP/24/674).



We recommend that immediate actions focus on those living without shelter (including rough sleepers) in main urban centres

13. Collated information from councils and providers around the country indicates an increase in the number of people living without shelter. This includes situations such as people living on the street and in improvised dwellings (e.g. living in a garage, a shack, or a car).
14. People living without shelter is the smallest category of homelessness (4,965 in 2023).² However, the characteristics and needs within the group can be diverse. People living without shelter will range from those experiencing chronic homelessness to people who are newly living on the streets or temporarily in cars. The types and level of need will also vary within this group and can present in different ways.
15. Providers report people living without shelter often experience complex and overlapping challenges, including mental health issues, substance use, and trauma. These individuals typically require intensive, wraparound support rather than standard housing interventions.
16. Based on estimates collected for the June Homelessness Insights Report, the number of people living without shelter in 2025 is at least: 800 in Auckland, 270 in Christchurch City, and 140 in Wellington City.
17. We recommend largely focusing short-term efforts on major urban centres, specifically Auckland, Hamilton (although supply constraints exist), Wellington, and Christchurch. This is due to a combination of factors, including demand and need in place, provider capacity and capability, as well as local supply opportunities. Northland (Whangārei) should also be considered due to it having some of the highest levels of need but may be more supply dependent. s 9(2)(f)(iv)

How we assessed options

18. We have assessed a range of potential actions against the following considerations:
 - Does it address a key problem? E.g. supply of single bedroom homes
 - Would it have impact on those living without shelter?
 - Expected level of impact.
 - Timeframe (3-6 months)
 - Implementation challenges e.g. capacity of providers and availability of supply

² Homelessness is defined as living situations where people with no other options to acquire safe and secure housing: are without shelter, in temporary accommodation, sharing accommodation with a household, or living in uninhabitable housing.

- Cost
 - Consistency with wider strategic direction, policy and legislation.
19. Within the time constraints, existing data and information was considered. This included insights from the Homelessness Insights report, operational data and wider information from recent stakeholder engagements, meetings and correspondence.
20. We also considered lessons learned from previous efforts to address homelessness (such as emergency housing motels). There is potential for short-term responses to become baked into the system and difficult to exit and importance of locally led place-based response.
21. s 9(2)(f)(iv)

We recommend a combination of actions are progressed framed around optimisation of existing supports and services and targeted additional supply and supports

Table 1. Proposed Actions

Option	Impact	New fiscal impact	Next steps
Optimising TH (HUD)	Low (for cohort living without shelter) but potential moderate impact in terms of availability of general TH	No	Implement regional tactical plan with HUD, MSD and providers
Prioritise access to social housing for unhoused Housing First clients (HUD)	Moderate-high – around a third of unhoused Housing First clients are living without shelter	Yes (tbc)	KO, HUD and MSD to work together on options to improve access.
EH gateway settings guidance (MSD)	Low	No	Operationalise additional guidance to MSD frontline
Greater support for people experiencing homelessness due to unpaid rent (MSD)	Low	No	Strengthen internal operational guidance
New 24/7 short-term housing with supports and triage (HUD)	Moderate-high – s 9(2)(j)	s 9(2)(j)	
Additional TH places prioritised for those living without shelter (HUD)	Moderate – s 9(2)(j)	s 9(2)(j)	

Additional social housing places (HUD)	Moderate – depends on supply availability	Yes (\$3.5M per 100 places)	Engage providers to identify potential supply and confirm capacity
Investment in additional targeted outreach (HUD)	Moderate – just over 560 clients (engaging 20 FTE)	Yes (\$2.4M for 20FTE)	Engage sector to confirm capacity and explore contracting options
Cross-agency initiatives (HUD plus relevant agencies)	Low	No	Work with relevant agencies to confirm and progress changes

22. To enable reprioritisation and fund some of the potential actions outlined in this briefing, HUD has reviewed current forecasts and identified potential one-off savings of \$22 million in FY26 across the Contracted Emergency Housing, Transitional Housing, and Social Housing appropriations. These savings are intended to support short-term actions and are not expected to be ongoing beyond this financial year. Therefore additional funding would need to be found to continue any of these options beyond one year.

Locally-led housing co-ordination groups

23. These actions will be supported by an ongoing emphasis on on-the-ground coordination. We will continue local coordination to bring together appropriate services to help where an acute housing need is identified.
24. An integrated approach to considering housing need can better enable more tailored responses, particularly where iwi or Māori providers are involved. Enabling local responses in this way helps address known system issues that impact how the system responds to housing need (e.g. delays, fracturing and duplication, gaps, issues with information sharing). This way of working is impactful when it is well integrated into local practices and processes (e.g. outreach, needs assessment, referrals) and where local supply is available. However, local supply or service limitations may impact effectiveness.
25. A locally coordinated approach, as a way of bringing together relevant government agencies, iwi and providers, can take different forms. A one-size-fits-all approach is unlikely to work given the benefits of these approaches being locally led. We would work with stakeholders to understand what would best work for local conditions. Work to this effect is already underway in various locations including Auckland, Hamilton, Wellington, Christchurch, and Napier/Hastings.

Getting the most from existing services and programmes

Further steps to optimise and utilise transitional housing

26. TH is currently designed as temporary housing for people with immediate housing need who have no appropriate alternative place to stay. At 30 June 2025, HUD contracted 6,207 TH places³ with 88 providers. Over 50 percent of these places are managed by the four largest providers⁴. More than 75 percent of all places are one or two bedrooms (including studios) and almost 50 percent are one bedroom or studio places.
27. Approximately 80 percent of contracted transitional housing places are occupied at the end of each month. Around 10 percent of places are unavailable at any one time (mainly due to maintenance and repairs) and around 10 percent are available for new clients to move into and awaiting referral and placement. The average time between a client leaving and a new client moving in is 17 working days.
28. There are three main approaches to optimising TH aiming to increase occupancy and reduce turn-around time:
 - Rebalancing the portfolio to increase places where accommodation is suitable for, and providers have capability to support those living without shelter (i.e. not increasing net TH places, and reducing in places where there is less demand)
 - Optimising occupancy (minimising vacancy rates)
 - Improving efficiencies in referral processes (e.g. time to complete) and ensuring assessments of MSD referrals are prioritised.
29. HUD and MSD are working on all three of these approaches with a joint tactical plan informed and activated by HUD's contracts team and MSD's Regional Housing Managers and Regional Commissioners/Public Service Leaders.
30. Most TH providers are not well equipped to accept and support people with high and complex needs. For TH to work effectively where needed for this cohort, people need to be supported by the right provider (with the capacity and capability for those with high and complex needs) in the right place (location and property typology). Whilst matching clients with the right provider and place is complex, we think this will be improved through the operational coordination between HUD, MSD and providers and by stronger system-wide connections which will reduce referral times. Some other options outlined in this paper to provide targeted services and outreach will also improve transitional housing utilisation.

³ Note we receive reporting on around 6,000 of these as we do not request reporting on approximately 200 safehouse places

⁴ Emerge, TSA, Kāhui Tū Kaha and Strive



31. To improve occupancy and reduce the current average of 17 working days between clients, the following immediate actions are being progressed:
- **Aligning property typology with demand:** HUD, in consultation with MSD, will focus on matching available housing stock—particularly one-bedroom units—with client needs. This may also include sourcing properties that accommodate pets, which are often essential for clients with support animals. *This will occur as leases come up for renewal or new supply.*
 - **Replicating effective regional practices:** We are identifying and seeking to replicate successful referral practices from regions where operational coordination between providers and MSD is strong. At the same time, we are engaging with providers who are currently slower to accept referrals to understand and update their practice.
 - **Reallocating services:** Consideration will be given to reallocating services to providers who have demonstrated both the willingness and capability to support clients with high and complex needs (noting this may have rebalancing implications across the portfolio given higher service costs for this cohort).
 - **Improving data practices:** We are supporting providers to strengthen their data capture processes, alongside internal work to improve data integrity and reliability.
 - **Exiting unsuitable places:** We will exit properties that are no longer fit for purpose and are currently marked as ‘unavailable’.
 - **Working with Peak Bodies:** The housing peak bodies have offered to provide support to the sector where there maybe an option to support capability development.
32. We are proceeding with these measures immediately, however some of these may take time to show impact in reporting data as they require leases to come up for renewal or end. We will report on progress in two months.

Explore options to improve or prioritise access to social housing for unhoused Housing First clients

33. There are over 900 people in Housing First that are yet to be housed. Based on the programme reporting and insights from providers, we understand that around a third of those waiting to be housed are primarily without shelter or rough sleeping, or residing in cars or mobile homes.
34. Improving access to social housing for people in Housing First who are not housed in temporary or permanent housing could be pursued through two pathways:
- Option a: directing Kāinga Ora to work with MSD and HUD on a plan to get Housing First clients housed and report back to Ministers by the end of August (recommended); and

- Option b: the creation of a new fast track for unhoused Housing First clients, or the removal of the fast track for families with children (not recommended).
35. On the surface a fast-track looks appealing but providers and KO have indicated that even where prioritised, other barriers may exist including:
- lack of housing of the right typology (due to high demand for one-bedroom units)
 - requirements for access to support services further limiting suitable properties
 - unsafe or unsustainable concentrations of high and complex-need applicants within medium-high density housing.
36. We estimate that establishing a formal fast-track will take roughly 6-8 months to design and put in place. This is based on the time required to establish the Priority 1 fast-track. This option would require Cabinet approval and the creation of tertiary legislation. MSD would not be able to make IT system changes to support a fast track in the short term. We do not recommend creating a fast track at this point and note that the success of Priority One fast track for families with children was in part a result of significant supply of the right typology becoming available.
37. We instead recommend providing detailed advice to Ministers by the end of August that can consider a range of operational and tactical options. Depending on decisions taken and ability to address other barriers this could start to have an impact in 3-6 months.

Expanded guidance for MSD on the use of discretion in assessing emergency housing grants

38. Stakeholders in the sector have suggested that policy changes to create a rules-based approach to assessing applications for emergency housing (EH), implemented in August 2024, have a direct correlation to the numbers of homeless increasing. However it is not possible to determine the extent to which this change is attributable to policy changes or simply reflects existing trends and broader economic and social contexts, We also note that numbers in EH began to decline even before the implementation of the emergency housing (EH) gateway changes.
39. The narrative of stakeholders does not actually reflect the impact of the gateway settings. A review of EH declines in May 2025 showed that declines accounted for around 35 percent of EH applications. Alongside supporting clients into Transitional Housing, of those applications declined, MSD offered those clients the following alternative assistance:
- 4 percent granted **Accommodation Supplement**
 - 12 percent received at least one **Housing Support Product (HSP)**
 - 49 percent received at least one **hardship assistance** (excludes HSP).

40. Over half of the declines are because the client hasn't met one or more eligibility criteria for Emergency Housing, including:
- Need can be met another way (26%)
 - Not a qualifying need (15%)
 - Not an emergency (10%)
 - Alternative housing is available (3%)
 - Do not have an immediate need (1%)
 - Exceed case asset and income test (2%)
41. A further 23% of declines are because they have otherwise contributed to their current circumstances, including:
- You have contributed to your immediate need (19%)
 - Circumstances could have reasonably been foreseen (3%)
 - Lack of representation (1%)
42. Of all applications declined between August 2024 and May 2025, over one quarter (26%) were declined because 'the need could be met another way' - i.e. because the Ministry was able to support the person into a more suitable alternative such as transitional housing.
43. Amending the policy or legal framework of the gateway is not recommended. This would be seen as a switch back to previous settings,⁵ as well as compromising progress against Target 8. It could also have significant fiscal implications. Amending the policy or legal framework would also work against other government policy such as the expectations set to Kāinga Ora regarding their management of anti-social behaviour and rent arrears. We have therefore considered any such changes out of scope.
44. The following areas for additional guidance to MSD staff around the use of discretion are recommended, noting that any change needs to sit within the context of the rules-based system that MSD staff operate under. Each can be implemented readily and does not amend the EH gateway's policy or legal framework. However, the impact of these changes is likely to be marginal, and the impact difficult to measure.
45. We also considered expanding EH grant guidance on the use of discretion, when deciding if an applicant has caused or contributed to their own housing need, however, this would work against existing government policy and messaging in relation to antisocial behaviour, damage, and rent arrears for those in EH/SH/TH.

⁵ It could also be argued that amending the framework only one year on from implementation would not give the changes sufficient time to 'bed in'.

a. Reinforce that MSD can use its discretion in relation to the income and asset test for emergency housing grants (EHGs)

46. This involves expanding guidance around the use of exceptional circumstances, when considering income and cash asset limits as part of the means test for EH. Around 2 percent of declines are due to exceeding the cash asset or income test, however, greater use of discretion in this area may encourage people with income or cash assets over the usual limit, to approach MSD for EH support.⁶ This measure is likely to be of most benefit to working people or the newly homeless (for example, people recently homeless due to job loss, rent arrears or overcrowded conditions), with lower benefit for rough sleepers.

b. Strengthen short-term stay guidance

47. This would strengthen guidance around making a short-term EH grant (of 1- 3 nights), including providing more scenarios and examples of best practice approaches for frontline staff, e.g. on the standard of verification required to assess eligibility. Greater use of short-term stays (1 - 3 nights) will allow more people to get help with their immediate housing need.

48. This has potential to better address the immediate needs of people living without shelter, in cars, or in uninhabitable or overcrowded housing. It does involve a risk that people may still not have alternative accommodation at the end of this time, however, there is potential to extend a short-term grant for an additional 3 days before any decline (to allow more time for the applicant to source the required eligibility information and MSD to continue to work with the clients, and providers, to explore alternative housing options). Short stays will need to be ended at some point.

Expanded use of support for people experiencing homelessness due to unpaid rent

49. An additional short-term tactical response that can be considered is providing greater support to people who are struggling to maintain a tenancy, because of rent arrears. This support can complement work to rehouse people.

50. MSD already has important tools that can help rough sleepers into accommodation, including short-term accommodation (e.g. TH), among its Housing Support Products that could be more widely promoted, such as the Accommodation Costs in Advance Grant, Bond Grant and Accommodation Security Cover Grant. Other products can support people to retain a tenancy if they are behind in meeting their accommodation costs and at risk of losing that accommodation, including the Accommodation Costs Arrears Grant.

⁶ We also note that the income and asset limits are lower for EH than other services. For example, the income limit for a single person applying for an EH Grant is \$625.16 and cash asset limit \$1,368.68, compared to the income and asset limits for HSPs (e.g. Accommodation Costs Arrears Grant - \$1,337 (single person) and cash asset limit \$8,100 (single person))



- 51. Another means of increasing support to people with high or complex needs, to obtain and retain housing is MSD being more proactive in making use of redirection of benefit payments. This is when all or part of a client’s benefit payment is paid directly to another person or organisation on the client’s behalf. Unless a client goes into social housing MSD cannot require a redirection, except in specific circumstances. Operational guidance could be strengthened in this area, e.g. if frontline staff are seeing a pattern of rent arrears (e.g. a client has applied for a third rent arrears grant) then redirection of benefit should be considered as a support for that client.

Targeted increase of supply and supports to meet specific needs

Establish new 24/7 short-term housing with supports and triage

- 52. This new service would provide a 24/7 access, short-term safe accommodation for people without shelter. A triage and needs assessment would be undertaken on arrival, and people connected to the right supports and put on a pathway towards more stable housing as quickly as possible. This is not a service that currently exists in New Zealand outside of specialised pilots and potentially fills a gap.
- 53. This option is dependent on providers with capability and capacity to work with this group of people, noting that this will include people with high mental health and addiction needs. Given the majority of this cohort are Māori it will be important to engage Māori providers in further development. It is also dependent on the ability of providers to source appropriate (non-motel) accommodation.
- 54. We anticipate this service could have a moderate impact on reducing the number of people living without shelter, depending on the scale of the services. The impact may be greater for newly homeless, though if co-ordinated with outreach services the impact on longer-term homeless may also be enhanced.
- 55. This option could be implemented in three to six months providing appropriate facilities can be found and providers have capacity. Some providers have delivered this in pilot capacity and others have previously advised us of readiness to stand up additional services.
- 56. s 9(2)(j)
[Redacted text]

Additional Targeted TH places and services

- 57. We can explore the feasibility of bringing up to 150 additional TH places online. These additional places would be targeted to support people living without shelter, particularly those with more specialised and complex needs, including mental health or addiction needs.



58. Feedback from providers and MSD has identified a gap in suitable housing with more intensive supports, especially for single people with more specialised needs.
59. The expected impact is moderate. Increasing targeted TH places could help ensure those with the greatest needs are not left waiting, offering more immediate and tailored support than is currently available. This would be a temporary solution and would require a clear pathway to other more stable housing options.
60. Some TH providers are hesitant to accept rough sleepers with more intense needs under the current model due to the complexity of their support requirements and the potential impact on other clients. However, there are a number of providers who are well-equipped to support these individuals but require additional funding to operate effectively and meet their needs. We would work with these providers for the additional places. The focus would likely be Auckland, Wellington and Christchurch as these regions demonstrate potential for short term expansion.
61. s 9(2)(j)
62. We could potentially deliver these places within three to six months, however this is dependent on supplier capacity and local housing availability of the right typology. We are exploring if there is any Crown-owned stock that could be brought or kept into supply for a limited time. Additional places can be established relatively quickly in larger centres but will be more challenging in regions with limited housing supply, especially 1-bedroom options.
63. Alongside bringing these new places online we will need to work with providers to ensure referral processes enable those living without shelter to be prioritised for these places.

Additional supply of Social Housing in the short-term

64. Allowing Community Housing Providers (CHPs) to lease properties from the private market could allow additional social housing places to be made available quickly. Additional social housing supply would increase available properties both for Housing First clients and for people in EH and TH, freeing up temporary accommodation for other people.
65. This response could have a moderate to high impact depending on the number of additional places funded. However, the ability to bring places online is limited by the number of one and two bedroom social housing properties on the rental market in target locations, and would be dependent on CHP capacity (given current Budget 24 and Budget 25 delivery). Allowing CHPs to transfer their own stock is a fast option but can create perverse incentives where existing tenancies could be put at risk.
66. This would be a departure from HUD's existing policy of not accepting any new use of private rentals unless by exception. Use of private rentals for social housing is

currently still accepted where commitments had been made or where specific programme funding has been provided.⁷

67. Costs are based on Income Related Rent Subsidy (IRRS) for lease only (noting this is a different structure than new supply costs known as Build to Own or Build to Lease).
68. The estimated cost for additional social housing ranges between \$30,000 to \$35,000 per place per annum depending on the region. Therefore, to bring on 100 new social housing places via private rentals would cost approximately \$3.5M, 200 places would cost approximately \$7M, and 300 places (as per the number of currently unhoused housing first clients living without shelter) would cost approximately \$10.5M per annum. It should be noted that funding additional social housing places potentially creates an ongoing cost pressure and therefore may require additional funding in outyears.

Investment in targeted outreach

69. Increasing outreach services for people living without shelter would help connect more people with the services they need and a pathway out of homelessness.
70. Current HUD outreach service outcomes show that for those who remain in the service for more than six months permanent housing emerges as the second most common outcome. MSD funds a small number of outreach services under its EH Support Services budget. HUD propose to expand the HUD services, including to places that do not currently have outreach services.
71. The expected impact of this option is low to moderate in the short term, but the impact will increase over time as providers connect individuals with necessary services and support people into accommodation. It can also be tailored to meet the needs of specific groups (e.g. women, youth, Māori).
72. The costs for the service will be dependent on its size. Currently, HUD contracts outreach services on an FTE basis (\$120,000 per FTE). The estimated cost to fund additional outreach services in these regions is between \$1.2M to \$2.4M depending on the number of FTEs funded (we recommend between 10 and 20, this would enable a further 280 to 560 clients to be supported).
73. This option could be stood up quickly by leveraging existing processes and experienced providers. The speed to stand up and roll out these services depend on the availability of appropriate staff in key locations. Staff employed in the service are usually specialist counsellors and social workers.

⁷ Some separately funded services such as, Housing First and Rapid Rehousing, where immediate access to housing and client choice are key service elements are not included in the redirects approach.

Cross-agency initiatives aimed at transitioning populations or better co-ordination

74. Through our previous work on preventing the transitions populations requiring emergency housing we worked with agencies to develop a number of options to improve housing outcomes for people leaving state care and custody.
75. The option most likely to have a short-term impact on preventing people living without shelter is bringing forward the current connection into housing support services for people leaving Corrections facilities so it happens earlier in their pathway to release.
76. We can provide further advice by the end of September on the feasibility and impact of this, jointly with Corrections. This will not impact on people already living without shelter but could likely be delivered within agency baselines.

Implementation considerations

77. There are a number of implementation considerations that we will need to work through to fully scope and cost these options, determine feasibility and the optimal implementation approach.
78. HUD would need short-term FTE to support new supply and contracting initiatives.
79. The ability of providers including CHPs to source appropriate properties of the right typology and in the right locations is an ongoing constraint. Certain CHPs may be at capacity with current delivery. Although the softening rental market may assist with sourcing properties for some options in some locations, this constraint may impact on speed, cost and effectiveness.
80. A number of options also depend on sourcing skilled staff. This may also impact on our ability to implement options at pace in some locations.
81. Estimates of costs have been provided but these are not yet confirmed and are only illustrative. Any decisions with financial implications will be sought through future advice.
82. Targeted engagement with the sector and key stakeholders, particularly iwi and Māori providers, will be essential in developing and testing potential options. This includes understanding need, as well as opportunities where delivery could be better supported and/or scaled up.
83. It is also important that the design of these actions reflects the nature of the need, and accounts for what is possible in place. Research⁸, including the Housing First evaluation, shows that culturally tailored and Māori-led services are essential to effectively meet the needs of Māori (the largest cohort) and other groups.

⁸ For example, *Māori cultural concepts and service provision for homeless Māori men* (Des Ellis, University of Waikato).

We will continue to work on improving homelessness data

84. The Homelessness Insights Report will continue to be used to monitor changes in homelessness at a population level every six months. However, it may not be possible to identify any shifts resulting from the implementation of any of these short-term actions in the data for this report.
85. While most of the recommended short-term actions are not expected to improve data collection or insights in the immediate term, we are continuing to work with providers, local authorities and other agencies on improving data that helps us to understand any changes in homelessness.
86. In the longer term, we are working with Stats NZ on how homelessness will continue to be measured given the changes to the census collection model.
87. It will be challenging to measure the impact of any selected actions at a population level. Outcomes will reflect the combined effect of multiple interventions, as well as the overlapping and complex nature of the drivers of homelessness, making attribution difficult. Once any actions are progressed, a suitable framework for evaluating impact will be developed.

Risks

88. Initial engagement has taken place with a number of sector stakeholders on levels of homelessness, drivers and at a high level on potential solutions. However, we have not been able to engage stakeholders on the specifics of proposed responses in this paper or their ability or capacity to implement actions.
89. Should you wish to progress with the recommended actions discussions with relevant stakeholders would be needed to ensure the sector can undertake and support delivery and scale up where required. Due to the urgency of these actions, a targeted approach will be taken with select regions prioritised, following further analysis on demand and provider capacity and capability.
90. Stakeholder expectations will need to be managed carefully throughout engagement given decisions on options, scale and funding may still be under consideration.
91. The proposed short-term options to respond to homelessness align with the Government's EH Target objectives and will support any necessary adjustments to current operational settings that are required. However, it is likely that there will be a rise in numbers of people seeking and being granted EH grants. Regular monitoring and reporting will ensure risks to maintaining the Target are identified.
92. Stakeholder engagement will need to be well managed. Particularly with Māori providers to mitigate risk to the Māori-Crown relationship given Māori are overrepresented in homelessness. The Waitangi Tribunal in Kāinga Kore the Stage One Report of the Housing Policy and Services Kaupapa Inquiry on Māori Homelessness made several findings on what it considers in the Crown's inadequate

response to homelessness. Considering these insights and ensuring equitable opportunity is given to Māori providers to deliver these actions will be important to reducing reputation and relational risks, particularly given Stage Two of Wai 2750 is approaching.

Consultation

93. We have shared earlier drafts of this advice with Treasury and the Department of Prime Minister and Cabinet. These drafts did not include estimates of potential costs and scale.
94. We have also received input on potential cross-agency opportunities to support transitions from state care and custody from Corrections, Oranga Tamariki and the Ministry of Health.

Next steps

95. Should you agree to the proposed approach and options, we will progress towards implementation. This will look different for each option.
96. We will begin developing and implementing the options that involve internal operational improvements immediately and report back on progress via weekly reports.
97. HUD will engage with local key stakeholders in specific regions, such as providers and partner agencies, iwi, and local councils to understand what a regionally focused response looks like in each location. This targeted engagement will enable us to gain a better understanding of current need-in-place, as well as local sector capacity to support this work.
98. To add to these place-based perspectives, further analysis of regional demand, potential supply, recommended scale of responses and costings will be undertaken. In combination, this will enable us to more accurately determine the time required for implementation and the likely time for impact to be seen.
99. Additionally, we will work through fiscal implications and potential budget prioritisation choices following your agreement to progress any options.
100. We would look to provide you with a progress update by the end of August 2025. Further decisions may need to be made at that stage, including about prioritisation.

Annexes

Annex A: Options considered but not recommended



Annex A: Options considered but not recommended

1. Further detail on key options that were considered but not recommended can be found below. All options that were considered but not recommended based on this assessment are outlined in Table A.

Fund additional TH motels

2. Funding additional TH motels or slowing our exit strategy may appear to offer immediate relief by providing more options for urgent housing needs, however there are significant drawbacks to this approach. Relying on motels as TH is a costly intervention, with estimated costs per place reaching \$107,000 per year⁹—substantially higher than traditional TH.
3. More importantly, motels are not suitable for long-term habitation, as their density and small spaces can create health and safety challenges, negatively impacting client wellbeing. Before considering expansion, we should focus on optimising current services and supply, making adjustments within the existing TH portfolio to better meet demand. Overall, this option is not recommended, and alternative approaches should be prioritised.

Additional funding and places for Housing First

4. While the Housing First programme supports many people experiencing chronic homelessness into stable housing, any expansion must be done in a considered way. If we expand the programme to other areas without considering what housing will be available to people in the programme we risk further expanding the current situation of numerous unhoused housing first clients.
5. We consider that this would be ineffective as a short-term measure. s 9(2)(f)(iv)

[Redacted text block]

Fund new night shelters

6. While funding new night shelters may provide an immediate option for people rough sleeping, particularly those experiencing chronic homelessness, this approach is not recommended as night shelters generally offer only temporary, overnight accommodation with limited additional supports, and do not directly reduce homelessness or contribute to lasting, positive outcomes. The effectiveness of such

⁹ This includes \$55,200 for accommodation fees and \$51,800 for service provision and on-site security.



shelters is limited, as they may not be suitable for certain groups, and their delivery is contingent on the availability of appropriate facilities and willing providers.

7. Historically, HUD has declined to fund night shelters, favouring programmes that better support enduring solutions. If we were to explore this option further, it is suggested to focus any funding on community-backed shelters that offer immediate, safe accommodation with additional services to support transitions into more stable housing. s 9(2)(f)(iv)

Table A: Options considered but not recommended for short-term actions

Option	Why it is not recommended
s 9(2)(f)(iv)	



s 9(2)(f)(iv)



From: Jeremy Steele

Sent: Thursday, August 7, 2025 10:02 AM

To: Olivia Burnett <Olivia.Burnett@parliament.govt.nz>; Colin Lynch <Colin.Lynch@hud.govt.nz>; Jo Hogg <Jo.Hogg@hud.govt.nz>; Jessica Garland <Jessica.Garland@hud.govt.nz>

Cc: Nicole Rennie <Nicole.Rennie@hud.govt.nz>

Subject: RE: REVIEW BY 10AM draft commissioning email for next piece of short term actions advice

Kia ora Olivia,

My take on the meeting is below. But from my perspective I think the advice should focus on:

- Further detail on delivering up to 300 additional social housing places in short-term via CHPs leasing from private landlords (places for those in Housing First but not housed)
- Information on how prioritization will occur
- Further information on what may be needed in specific locations **S 9(2)(f)(iv)** and potential impact.
- **s 9(2)(g)(i)**
- Some info on additional outreach services
- What funding is needed and what options do we have for meeting that.
- Timeframes and next steps
- Suggest that redirection advice is covered in separate advice .

[@Olivia Burnett](#) please note it's not additional hosing first places... it's additional social housing places of right typology etc for Housing First clients.

The main focus of what I heard from Minister was:

- Agreed to focus on those living with shelter and in main urban centres (Auckland, Hamilton, Wellington and Christchurch)
- Supported further developing option of 300 additional social housing places via CHPs leasing from private market (have to go to high priority people living without shelter – Housing First cohort would come with supports). Noted downsides to this but also the potential to bring on supply quicker and get right typology.
- Supported prioritization into additional housing for those engaged with Housing First but not currently housed. Need to look at how this can be achieved.

s 9(2)(g)(i)

- s 9(2)(g)(i) However, it was noted that TH might work in some locations to address the problem.
- Need to look at what is required in locations and what that means in terms of need for and ability to secure TH or SH places.
- s 9(2)(f)(iv)
- Keen to explore redirection of benefits and supported MSD EH guidance proposals.
- Supported optimization of TH.

Jeremy Steele ([he/him](#))

General Manager | Housing Supports and Supply

Policy Group

jeremy.steele@hud.govt.nz | Phone: +64 4 8322471 | Mobile: s 9(2)(a)

www.hud.govt.nz | Level 8, 7 WQ, 7 Waterloo Quay, Wellington

From: Olivia Burnett <Olivia.Burnett@parliament.govt.nz>

Sent: Wednesday, August 6, 2025 5:16 PM

To: Colin Lynch <Colin.Lynch@hud.govt.nz>; Jeremy Steele <Jeremy.Steele@hud.govt.nz>; Jo Hogg <jo.hogg@hud.govt.nz>;
Jessica Garland <Jessica.Garland@hud.govt.nz>

Cc: Nicole Rennie <nicole.rennie@hud.govt.nz>

Subject: REVIEW BY 10AM draft commissioning email for next piece of short term actions advice

Evening all,

Thanks for your attendance today at Housing Officials.

With Euan's (MSD PS) assistance, I've have pulled together the attached draft commissioning email to send to agencies tomorrow, but in Bronwyn's absence I wanted to run it by you all wonderful HUD social housing experts before sharing it more widely.

Would you be able to review/provide a fact check/provide feedback on the email in the attached by 10am tomorrow?

Call if you want to discuss – happy to chat.

Thanks heaps,
Olivia



Olivia Burnett (she/her)

Private Secretary (Housing) | Office of Hon Chris Bishop

Minister for Housing | Infrastructure | RMA Reform | Transport | Associate Finance |
Associate Sports & Recreation | Leader of the House

Email: olivia.burnett@parliament.govt.nz Phone: s 9(2)(a) Website: www.beehive.govt.nz
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand



Briefing

FURTHER ADVICE ON SHORT-TERM ACTIONS TO ADDRESS HOMELESSNESS			
To Minister	Hon Chris Bishop	Portfolio	Minister of Housing
	Hon Louise Upston	Portfolio	Minister for Social Development and Employment
	Hon Tama Potaka	Portfolio	Associate Minister of Housing
Date	14/08/2025	Priority	High
Tracking number	HUD2025-007725 / REP/25/8/623		

ACTION SOUGHT	
Action sought	Provide feedback on short-term actions to address homelessness, potential funding approach and attached draft Cabinet paper.
Deadline	19/08/2025

CONTACT FOR DISCUSSION			
Name	Position	Telephone	1st contact
Jeremy Steele	HUD General Manager, Housing Supports and Supply	s 9(2)(a)	
Rebekah Hood	HUD Policy Manager, Operational Policy		✓
Julia Bergman	MSD General Manager Housing, Employment and Labour Market Policy		
Karen Hocking	MSD Group General Manager Enablement		

OTHER AGENCIES CONSULTED
Department of Prime Minister and Cabinet (DPMC) were engaged on the high level direction and the Treasury were engaged on the high level direction and costings only.



RECOMMENDED ACTIONS	
It is recommended that you:	
<i>Additional (up to) 300 social housing places and location specific responses</i>	
1. Agree that (subject to Cabinet agreement) HUD enable community housing providers (CHPs) to lease up to 300 additional social housing places from the private market for unhoused Housing First households (\$7.0 million FY25/26 and ongoing funding of \$10.8 - \$11.8 million per annum)	<i>Agree/Disagree</i>
2. Agree that (subject to Cabinet agreement) HUD work with providers to develop plans for additional location specific services that build on existing contracts and address gaps (up to \$10.0 million FY25/26)	<i>Agree/Disagree</i>
3. Provide feedback on the proposed indicative location split of the (up to) 300 additional social housing places and funding for additional location specific services that build on existing contracts and address gaps	<i>Yes/No</i>
4. Agree that HUD works with CHPs, service providers and local stakeholders to further develop the proposed solutions and implement proposed actions	<i>Agree/Disagree</i>
5. Note options to fund actions in rec. 1 and 2 include seeking new funding or reprioritisation.	<i>Noted</i>
6. Provide feedback on preferred approach to funding actions in FY25/26 and over forecast period.	<i>Yes/No</i>
<i>Prioritisation of unhoused Housing First households into the social housing places</i>	
7. Note the proposed place-based operational process for prioritising the additional social housing places to those households unhoused in Housing First	<i>Noted</i>
8. Agree that HUD and MSD engage with targeted providers to further develop and implement the social housing places prioritisation approach	<i>Agree/Disagree</i>
<i>Actions focused on getting the most from existing programmes, supports and housing</i>	
9. Note we are progressing the already agreed actions which have no fiscal implications; these are:	<i>Noted</i>



<p>a. Expanded guidance for MSD staff on the use of their discretion in assessing Emergency Housing Grants (EHGs)</p> <p>b. Optimising Transitional Housing (TH) by aiming to increase occupancy and reduce turn-around time</p>	
<p>10. Note that MSD can redirect a benefit to a landlord or an accommodation provider with or without the consent of the beneficiary under current legislative settings, if there is good cause to do so</p>	<i>Noted</i>
<p>11. Note that MSD will implement a short-term action to prevent homelessness which involves strengthening operational guidance and communications to frontline staff to make it clearer that:</p> <p>a. MSD can redirect a benefit for accommodation payments with or without the beneficiary’s consent if there is good cause</p> <p>b. MSD can use its discretion to redirect a benefit for beneficiaries who are rough sleepers once they have been placed into accommodation to encourage prospective landlords or an accommodation provider to accommodate these people</p>	<i>Noted</i>
<i>Cabinet Paper</i>	
<p>12. Provide feedback on the attached draft Cabinet paper for your consideration and comment</p>	<i>Yes/No</i>

Hon Chris Bishop
Minister of Housing
..... / /

Hon Louise Upston
Minister for Social Development and Employment
..... / /

Hon Tama Potaka
Associate Minister of Housing
..... / /



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Jeremy Steele
**General Manager, HUD, Housing
Supports and Supply**
1 / 8 / 25

Julia Bergman
**General Manager Housing, Employment and
Labour Market Policy, MSD**
14 / 8 / 25



Purpose

1. To provide further detail on and seek decisions on short-term actions to address homelessness. A draft cabinet paper that would seek agreement to government actions is also attached for your feedback.

Executive Summary

2. The Ministry of Housing and Urban Development (HUD) and the Ministry of Social Development (MSD) provided you with initial advice on 1 August 2025 [HUD2025-007568, REP/25/7/576 refers] on options that would make a difference in the short-term for people who are living without shelter. You asked for additional detail on key actions and requested a draft Cabinet paper seeking agreement to Government actions to address homelessness.
3. We propose bringing on up to 300 additional social housing (SH) places (at a cost of \$7.0 million FY25/26 and ongoing funding of \$10.8 - \$11.8 million per annum) which will aim to match the right typology (largely one bedroom) in the right place for unhoused Housing First households.
4. We also propose making up to \$10.0 million in FY25/26 available to fund location-specific responses that are developed with providers already working with those living without shelter. These would be outcomes focused, build on existing contracts and address gaps. However, they could include components of out of hours access, triage, outreach and short-term accommodation. Location specific overviews of each of the priority locations is included in Annex A.
5. We are also seeking feedback on your preferred approach to funding the additional SH places and place-based responses (\$17.0 million in FY25/26) and SH places from FY26/27 (\$10.8-\$11.8 million p/a). We have not assumed any outyear costs for place-based responses at this point. We have identified options to fund FY25/26 costs via reprioritisation, but further work would be needed to meet costs in outyears.
6. Officials will work with CHPs, service providers and local stakeholders to further develop the proposed solutions and implement proposed actions.

Context

7. You received advice on 1 August 2025 [HUD2025-007568, REP/25/7/576 refers] on actions that would make a difference in the short-term for people who are living without shelter. Following discussion with Ministers you agreed that actions focus on:
 - a. our four priority urban areas: Auckland, Wellington, Hamilton and Christchurch, and
 - b. people living without shelter, including rough sleepers and those living in cars.
8. You asked for further advice (which is covered in this paper) on:



- a. delivering up to 300 additional SH places in the short-term via CHPs leasing from private landlords (places for those in Housing First but not housed)
 - b. how prioritisation of those households into the additional SH places could occur
 - c. what is required in each location on top of SH places to address current gaps and issues
 - d. advice on rental payments redirects from a benefit at source
 - e. further advice on the funding available for this programme of work and immediate and ongoing fiscal implications, and
 - f. next steps.
9. We are progressing the already agreed actions which have no fiscal implications:
- a. expanded guidance for MSD staff on the use of their discretion in assessing EHG, and
 - b. optimising TH by aiming to increase occupancy and reduce turn-around time.
10. We have identified two areas where MSD will provide expanded guidance for MSD staff on the use of discretion in assessing emergency housing grants. The first area involves expanding guidance around the use of exceptional circumstances, when considering income and cash asset limits as part of the means test for emergency housing grants. The second area involves strengthening guidance for approving EHG for short-term stays.
11. You have also requested a draft cabinet paper which is attached as Annex B.

Those living without shelter are a complex cohort and multiple solutions will be needed to support them

12. People living without shelter is the smallest category of homelessness, however the characteristics and needs within the group can be diverse. People living without shelter will range from those experiencing chronic homelessness to people who are newly living on the streets or temporarily in cars.
13. The types and level of need will also vary within this group and can present in different ways. Providers report people living without shelter often experience complex and overlapping challenges, including mental health issues, substance use, and trauma. These individuals typically require intensive, wraparound support rather than standard housing interventions.
14. Based on estimates collected for the June Homelessness Insights Report, the number of people living without shelter in 2025 is at least: 800 in Auckland, 270 in Christchurch City, and 140 in Wellington City.



15. Providers, CHPs and Kāinga Ora – Homes and Communities have indicated that there are two key factors that can limit the placement of those living without shelter into SH. Accessing the right typology and the potential risks associated with placing a high needs individual who may have been living on the streets for an extended period. These risks are further compounded where multiple people with high needs are living in proximity. We have heard from providers that unless these people are provided with ongoing support there may be hesitance to place them.

We propose focusing additional housing supply for people living without shelter but who are already engaged with supports via Housing First

16. The Housing First programme is directly targeted to support people who have been experiencing chronic homelessness, including those living without shelter, for extended periods who have high and often complex support needs. Housing First clients receive support through the programme while efforts are made to secure appropriate housing (through SH Income Related Rent Subsidy places) and continues after a person is housed for as long as needed.
17. Based on information from providers, there are around 700 Housing First households waiting to be housed across the four priority areas. Of these households approximately 58% are male, 42% are aged 25-39 years, 51% are Māori, 21% are Pasifika and 19% are European. Housing First data is designed to provide a national overview and has some limitations, as outlined in Annex A.
18. Of those around 700 Housing First households there are approximately 525 in Auckland, 60 in Hamilton, 75 in Wellington, and 85 in Christchurch. Māori consistently make up the majority in all regions ranging from approximately 72% in Hamilton to 46% in Auckland.
19. We propose additional housing supply is focused on this cohort as:
 - a. they will already be receiving supports through a Housing First provider that can continue as long as necessary, and
 - b. they are likely to have been living without shelter for extended periods and often have complex needs (effective way of targeting).

Delivering up to 300 additional social housing places through community housing providers leasing from the private market

20. We propose bringing on up to 300 additional SH places (at a cost of \$7.0 million in FY25/26) that are the right typology in the right place for unhoused Housing First households. As outlined in our earlier advice, allowing CHPs to lease properties from the private market will allow additional SH places to be made available in the short-term [HUD2025-007568, REP/25/7/576 refers].
21. Table 1 below outlines the proposed split of the additional SH between four key locations informed by number of unhoused Housing First clients. We have also

completed an initial assessment of the potential impact on local rental market and consideration of Housing First provider or CHPs abilities to secure additional supply from the private market in the short term (however this will need to be tested directly with CHPs and Housing First providers).

22. The figures in Table 1 are based on provider reporting and further work will be required to determine the exact numbers of households we will support.
23. Our initial assessment of each location is that the use of redirects is unlikely to impact the rental market significantly or on the stock available for private renters. However, we will monitor the markets and provide advice if intervention is needed.
24. s 9(2)(j) [Redacted]

Table 1: proposed split of SH places by priority location

	AUCKLAND	HAMILTON	WELLINGTON	CHRISTCHURCH
Unhoused Housing First households as reported by providers	525	61	74	84
Approximate proportion of unhoused households across the priority locations	71%	8%	10%	11%
Proposed approximate split of (up to) 300 redirect places	approx. 200 places (~71%)	approx. 30 places (~8%)	approx. 30 places (~10%)	approx. 40 places (~11%)
Proposed approximate split of \$7m funding for FY25/26	approx. \$5.0M	approx. \$0.5M	approx. \$0.7M	approx. \$0.8M

25. As discussed with the Minister of Housing, these (up to) 300 places are in addition to SH places funded in recent Budgets (1500 in Budget 2024 and 550 in Budget 2025) which are due to be delivered over in the next 18 months to two years.¹
26. The approach to housing needs analysis and allocation, as set out in the housing investment strategy, will enable a much greater targeting of investment to need, as intended with the establishment of the Flexible Fund through Budget 2025.

We will do this by leveraging existing contracts and CHP partnerships

27. We will work with established providers and leverage existing contractual arrangements to amend service agreements. This will include establishing clear parameters to ensure the housing secured is appropriate for Housing First households, e.g. prioritising one-bedroom units where possible and consideration of

¹ We provided you with an update of SH delivery on 14 August 2025 [HUD2025-007657 refers].



the concentration of high and complex needs households, particularly in medium - high density housing.²

28. Based on this, HUD estimates that necessary changes to existing agreements will take approximately 2-4 weeks. We will work with providers to understand how quickly following these changes, they will be able to source the new SH places following these changes.

29. s 9(2)(j) [Redacted]

We have refined the estimated cost of these additional social housing places

30. The estimated cost for additional SH ranges between \$28,300 to \$37,200 per place per annum depending on the region. We expect to redirect (up to) 300 new SH places from the private market which would cost \$7.0 million in the first year (FY25/26) and between \$10.8 – 11.8 million per annum thereafter.

31. As highlighted in our earlier advice, funding additional SH places potentially creates an ongoing cost pressure and therefore will require additional funding in outyears.

32. Costs are based on Income Related Rent Subsidy (IRRS) for the lease and the Tenancy and Property Management Overhead (TPMO), which CHPs receive for Housing First places. The TPMO funding covers a range of expenses and funds, including tenancy managers, housing locators, minor meth remediation and repairs and maintenance, damages and bad debt funds.

A targeted approach to prioritisation of unhoused Housing First households into these additional social housing places will be necessary

33. We previously explored an option to implement a fast-track for unhoused Housing First households, however, we did not recommend progressing this as part of the package of short-term initiatives [HUD2025-007568, REP/25/7/576 refers].

34. To ensure the additional places go to the unhoused Housing First group, we recommend targeted operational changes at a local level. Prioritisation of households will require a place-based response, working within existing processes between Housing First providers and partner CHPs, HUD and MSD. Elements of a place-based prioritisation approach are likely to include:

- a. **ensuring Housing Register information is up to date and accurate** – to be eligible for placement into SH, Housing First households must be on the Housing Register. Initial data indicates that a proportion of Housing First

² Kāinga Ora – Homes and Communities has indicated that the lack of right housing typologies and unsafe concentrations of high and complex-need applicants within medium - high density housing create barriers to housing this cohort.



households are not on the Register currently. This can be due to several reasons and further exploration is required to understand what is driving the lack of representation on the Housing Register. HUD and MSD will work closely with Housing First providers on this which will inform the approach to prioritisation and what supports could be put in place

- b. **manual referral process for Housing First providers and associated community housing providers** – current operational practice allows for referral, matching and placement with CHPs to be a manual process in exceptional circumstances. To streamline referrals for this cohort, as new CHP-leased places become available, Housing First providers and partner CHPs could be given discretion to work together (with MSD) on placements of Housing First households waiting to be housed into suitable properties.
 - c. **locally led coordination of assessment, matching and placement** – local coordination will be critical. Housing First providers, their partner CHPs, and local MSD contacts will need to collaborate closely to ensure this prioritisation approach is managed effectively and ensure client privacy is considered.
35. Key steps in developing and implementing this prioritisation approach include targeted engagement with providers to build a more detailed understanding of Housing First households waiting to be housed and to gauge provider capacity and interest, and close collaboration between HUD and MSD delivery teams to ensure implementation is coordinated well.
36. It should be noted that Housing First households are also housed in Kāinga Ora SH places. The existing prioritisation process for Kāinga Ora properties is expected to continue alongside the targeted approach for the specific CHP SH places brought on. We will work with Kāinga Ora – Homes and Communities to explore what can be done in priority locations in the short term to assist in placement into new and existing SH of people currently living without shelter.

We also propose that location specific responses are developed with providers already working with those living without shelter

37. We also propose that up to \$10.0 million in FY25/26 is made available to support location-specific responses are developed with providers already working with those living without shelter. These would be outcomes focused, build on existing contracts and address gaps identified by stakeholders. These actions would be focused more broadly than the up to 300 additional SH places.
38. They will focus on those living without shelter or at imminent risk of living without shelter (irrespective of whether they are engaged with Housing First). This could include a wide range of groups from people currently living rough in CBDs through to people temporarily living without shelter due to a life shock.
39. We do not want to create additional programmes at a time when are working to make the system simpler. Location specific responses will need to build on existing



services to address gaps including by potentially scaling up, or better targeting approaches that are already working. This could include additional transitional housing to support people with high and complex support needs who may otherwise end up or remain rough sleeping; out of hours access to support, which could include triage and assessment processes; and connected outreach services.

- 40. We have undertaken a place-based analysis of the four priority areas to provide an indication of what might be required in each location. Table 2 below shows the level of severe housing deprivation by priority area, together with provider insights on potential gaps in existing services.
- 41. We have considered the level of severe housing deprivation to inform a potential allocation of this \$10.0 million. Based on Census 2023 data, an indicative split across the four regions would allocate \$7.0 million for Auckland and \$1.0 million each for Hamilton, Wellington and Christchurch. However, as the situation has changed since the census, this will be refined further with providers should you agree to this work.

Table 2: proposed further initiatives to reduce homelessness by priority location

	AUCKLAND	HAMILTON	WELLINGTON	CHRISTCHURCH
Census 2023 estimate of the number living without shelter	747	33	87	171
Examples of established providers with capacity for standing up additional services	s 9(2)(j)			
Proposed location specific responses for meeting wider needs				

- 42. Subject to your agreement, HUD will look to engage with providers in each priority location to further develop these local approaches. Following these conversations, we can provide further advice on implementation, including timelines.

We have done further work to understand costs and outyear implications

- 43. If you agree the proposed costs of 300 additional SH places (\$7.0 million in FY25/26, pro-rated from a full-year cost of \$10.5 million due to phasing of delivery) and funding



for place-based responses (up to \$10.0 million) in the four locations would be \$17.0 million for FY25/26 year.

- 44. Ongoing funding for the SH beyond FY25/26 of \$10.8 - \$11.8 million per annum (including 3% CPI increase) will be required to meet the cost of the additional 300 SH places. We have not assumed any outyear costs for place-based responses at this point.

Table 3: Total funding required across the forecast period

FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	TOTAL
\$17.0M	\$10.8M	\$11.1M	\$11.5M	\$11.8M	\$62.2M

- 45. There is a choice around whether you look to fund these costs for one year or over the forecast period. At a minimum you will need seek immediate decisions via Cabinet on meeting costs for FY25/26. This would create a funding cliff or added cost pressure but could be pragmatic solution that would allow immediate action while a permanent funding solution is worked through.

Options for funding FY25/26 cost

- 46. There are two options available to meet the proposed costs associated with the short-term actions:
 - a. **seek new funding** – this will require Cabinet approval to draw funding from the Between Budget Contingency, noting that this will have a high approval threshold
 - b. **fund FY25/26 via reprioritisation of underspends** - HUD has revised down identified potential one-off savings from \$22.0 million to \$19.3 million in 25/26 year but could cover costs in first year and part of the second year, due to phasing of delivery.

Options for funding ongoing cost

- 47. There are also several options on how the costs are funded over the forecast period:
 - a. **seek new funding** – through Budget 26.
 - b. **defer reprioritisation decision until Budget 2026** advice (HUD recommended option): the ongoing cost could be incorporated into other cost pressures under consideration for Budget 26, with further discussion scheduled for the officials meeting on 18 August 2025.
 - c. **reprioritise now** to meet full ongoing costs of SH places (refer below).
- 48. Reprioritising now would reduce your flexibility to meet other cost pressures and new spending through Budget 26. § 9(2)(f)(iv)



s 9(2)(f)(iv)

A transfer of funding between appropriations would require Joint Ministers' approval.

MSD can redirect benefits to pay for accommodation costs with or without the consent of the beneficiary

49. MSD has confirmed it can redirect a person's benefit for accommodation costs with or without the consent of the beneficiary, if there is good cause to do so, under current legislative settings. This includes assisting those currently homeless (such as rough sleepers) who are entering accommodation to encourage prospective landlords or accommodation providers to accommodate these people.
50. In the situation where MSD redirects a benefit without the beneficiary's consent, and the beneficiary has requested MSD to stop the redirection of benefit, MSD can continue to redirect the benefit without the beneficiary's consent if there continues to be good cause. s 9(2)(g)(i)
51. MSD recommends strengthening operational guidance and communications to frontline staff to make it clearer that MSD can redirect a benefit for people at-risk of experiencing homelessness, and for those already homeless and entering accommodation, including without the consent of the beneficiary.

As initiatives are progressed, a suitable framework for evaluating impact will be developed within acknowledged limitations

52. We will use existing monitoring and reporting to provide information on the outputs and outcomes of these initiatives where possible. We will identify if there are critical gaps where further impact evaluation is required and consider how best to address these in a scale appropriate to these -short-term actions.
53. The Homelessness Insights Report will continue to be used to monitor changes in homelessness at a population and local level every 6 months. In the short term it may not be possible to identify any shifts directly resulting from the implementation of these short-term actions in the data for this report, though we do expect to gather some anecdotal insights through our provider sector engagement.
54. It will be challenging to measure the individual impact of these initiatives at a population level. Outcomes will reflect the combined effect of multiple interventions, as well as the overlapping and complex nature of the drivers of homelessness, making attribution difficult.



55. We are continuing to work with providers, local authorities and other agencies on improving data that helps us to understand any changes in homelessness. In the longer term, we are working with Stats NZ on how homelessness will continue to be measured given the changes to the census collection model.

Next steps

56. HUD and MSD will begin developing and implementing options that involve internal operational improvements immediately and will report back to Ministers on progress via weekly reports and Monthly Housing Reports.
57. HUD will (subject to agreement):
- complete further work on anticipated impact of initiatives as well as provide further advice on a suitable method of monitoring and reporting on the programme of work using existing reporting as far as possible.
 - begin progression of amendments to service agreements with select Housing First providers and CHPs to enable the delivery of up to 300 additional 300 SH places,
 - work with Housing First providers to refine our understanding of those households in service who are reported as unhoused, including more detail on numbers and current living situation and
 - engage with select providers in the four priority locations to understand what a locally focused response looks like in each location.
58. MSD will commence work to strengthen operational guidance on its use of discretion when assessing eligibility for EHG, and redirection of benefits for beneficiaries at-risk of experiencing homelessness and who are already homeless and are entering accommodation. MSD will report on progress via the Monthly Housing Updates to Housing Ministers.
59. Following your feedback, we will provide you with an updated draft Cabinet paper by 21 August to enable lodgement by 28 August for Cabinet consideration on 1 September.

Risks

60. The external evaluation of Housing First found that there are insufficient Māori providers to meet need. Any initiatives focusing on Housing First providers may be limited in their impact on Māori. Engaging with Māori providers in any additional actions could help to manage this risk.

Annexes

Annex A: Location specific overview of need and proposed response

Annex B: Draft Cabinet paper



Annex A: Location specific overview

Auckland¹: Location specific overview

Needs Analysis	
Housing First households waiting to be housed as reported by providers	525
	Auckland's proportion of households waiting to be housed across four priority areas: 71%
	The majority of the primary applicants are aged between 25 and 54 years old, and 44% identified as female. The ethnicity of the primary applicants is 46% Māori, 27% Pasifika, 16% European and <1% Other.
Broader Homelessness Insights²	Figures from Auckland Council's latest quarterly update shows that as at the end of May 2025, the 6 providers with outreach services were working with 809 unsheltered clients ³ who were sleeping in cars, streets and local parks, up from 653 in January this year, and 426 in September 2024.
	Census 2023 estimate of number living without shelter: 747 Proportion of households living without shelter across the four priority areas (based on Census 2023): 72%

Services in Place to support households with high housing needs
Housing First: 2,044 households engaged. There are five Housing First providers in Auckland City (including one Māori provider).
Rapid Rehousing: 681 households engaged.
Transitional Housing: 2,678 places contracted.
Outreach and out of hours services: All five HF providers provide HUD-funded Outreach services (Auckland City Mission, Lifewise, LinkPeople, Visionwest and Kāhui Tū Kaha). Kāhui Tū Kaha provide a HUD-funded 24/7 Emergency Housing service.

¹ Data as at 30 June 2025 unless stated.

² The most robust estimate we have of those living without shelter is the 2023 Census estimate of 4,965. Indications are that this has increased. While it is not possible to quantify the exact size of the increase, it appears to be greater than our 3 percent population growth.

Capacity to deliver additional support services and housing places	
Rental market capacity/ impact analysis	With the high number of rentals currently listed, approaching a number for redirects would be unlikely to impact the rental market significantly; however, a key consideration will be finding the right typologies (i.e. low density where required). Auckland has 2,842 studio, 1-bedroom, and 2-bedroom listings currently on Trade Me. Overall rental vacancy rate is 3.8% Annual GeoMean Weekly Rent 1-Bdr (\$457), 2-Bdr (\$587)
Provider capacity to deliver additional services	Four of the five HF providers in Auckland are also CHPs, meaning HUD can leverage existing contracting arrangements to deliver additional social housing places. s 9(2)(j)

Proposed targeted responses		Costs
Proposed split of (up to) 300 SH places	Approx. 200 places (~71%) these places will be prioritised to those living without shelter who are already engaged with HF.	Approx. \$5.0m for FY25/26
Proposed location specific responses	s 9(2)(j)	Approx. \$7.0m for FY25/26

³ Auckland Council's providers note that their numbers are under-reported as many homeless people are in cars, transient or hidden from sight.

Hamilton⁴: Location specific overview

Needs Analysis	
Housing First households waiting to be housed as reported by providers	61
	Hamilton's proportion of households waiting to be housed across four priority areas: 8%
	The majority of the primary applicants are aged between 25 and 54 years old, and 31% identified as female. The ethnicity of the primary applicants is 72% Māori, <1% Pasifika, 26% European and <1% Other Ethnicity.
Broader Homelessness Insights	Census 2023 estimate of number living without shelter: 33 Proportion of households living without shelter across the four priority areas (based on Census 2023): 3%

Services in Place to support households with high housing needs
Housing First: 193 households engaged. There is one Housing First provider in Hamilton.
Rapid Rehousing: 98 households engaged.
Transitional Housing: 572 places contracted.
Outreach and out of hours services: Mental Health Solutions (part of the Wise Group, alongside The People's Project) provides HUD-funded Outreach.

Capacity to deliver additional services and housing places	
Rental market capacity/ impact analysis	Whilst the rental vacancy rate is lower than Auckland at 2.4%, we do not think leasing from the market will have a significant influence on the wider market. Hamilton has 253 studio/1/2-bedroom listings currently on Trade Me. Overall rental vacancy rate is 2.4% Annual GeoMean Weekly Rent 1-Bdr (\$356) 2-Bdr (\$513)
Provider capacity to deliver additional services	s 9(2)(j)

Proposed targeted responses		Costs
Proposed split of (up to) 300	Approx. 30 places (~8%) these places will be prioritised to those living without shelter who are already engaged with HF	Approx. \$0.5m for FY25/26
Proposed location specific responses	s 9(2)(j)	Approx. \$1.0m for FY25/26

⁴ Data as at 30 June 2025 unless stated

Wellington⁵: location specific overview

Needs Analysis	
Housing First households waiting to be housed as reported by providers	74 Wellington's proportion of households waiting to be housed across Four Priority Areas: 10%
	The majority of the primary applicants are aged between 25 and 54 years old, and 46% identified as female. The ethnicity of the primary applicants is 62% Māori, 12% Pasifika, 16% European and <1% Other Ethnicity.
Broader Homelessness Insights	Downtown Community Ministry (DCM) recorded 328 people as homeless over January to March 2025, a five percent increase on a year prior (312 people). Of these, 141 people were recorded as rough sleeping, a 24 percent increase on a year prior (114 people). Porirua City Council initiated quarterly Point in Time Audit for rough sleepers from June 2024, with four audits conducted up to March 2025. These audits have reported 7, 11, 13, and 18 rough sleepers, respectively ⁶ .
	Census 2023 estimate of number living without shelter: 87 Proportion of households living without shelter across the four priority areas (based on Census 2023): 8%
Services in Place to support households with high housing needs	
Housing First: 341 households engaged. There are two Housing First providers in Wellington, one who is a Māori provider.	
Rapid Rehousing: No service contracted in Wellington.	
Transitional Housing: 626 places contracted.	
Outreach and out of hours services: Te Rūnanga o Toa Rangatira Inc and Tākiri Mai te Ata deliver Outreach services in Porirua and Lower Hutt respectively. There are no HUD-funded Outreach services being delivered in Wellington City. DCM's outreach (Wellington city) is funded by Wellington City Council. Wellington City Mission (WCM) runs a Crisis Recovery Café and also a facility for people with chronic alcoholism where clients receive 24/7 support.	

⁵ Data as at 30 June 2025 unless stated

Capacity to deliver additional services and housing places	
Rental market capacity/ impact analysis	Wellington has one of the highest number of rentals available at 6% so taking stock for redirects would have no impact on the overall market. Wellington City has 899 studio/1/2-bedroom listings on Trade Me. Overall rental vacancy rate is 6.0% Annual GeoMean Weekly Rent 1-Bdr (\$449) 2-Bdr (\$607).
Provider capacity to deliver additional services	s 9(2)(j)

Proposed targeted responses		Costs
Proposed split of (up to) 300	Approx. 30 places (~10%) these places will be prioritised to those living without shelter who are already engaged with HF	Approx. \$0.7m for FY25/26
Proposed location specific responses	s 9(2)(j)	Approx. \$1.0m for FY25/26

⁶ From Homelessness Insights, June 2025 (section 'Figures from around the country')

Christchurch⁷: Location specific overview

Needs Analysis	
Housing First households waiting to be housed as reported by providers	84
	Christchurch's proportion of households waiting to be housed across four priority areas: 11%
	The majority of the primary applicants are aged between 25 and 54 years old, and 36% identified as female. The ethnicity of the primary applicants is 56% Māori, 5% Pasifika, 33% European and <1% Other Ethnicity.
Broader Homelessness Insights	Christchurch City Mission – outreach workers engaged with 270 new clients in the 6 months to the end of March 2025, up from 156 in the prior 6 months ⁸ .
	Census 2023 estimate of number living without shelter: 171 Proportion of households living without shelter across the four priority areas (based on Census 2023): 17%

Services in Place to support households with high housing needs
Housing First: There are 322 households engaged. There is one Housing First provider in Christchurch and no Māori providers.
Rapid Rehousing: There are no households in Rapid Rehousing.
Transitional Housing: 475 places contracted.
Outreach and out of hours services: Christchurch City Mission run an Outreach service (not funded by HUD) and a walk-up emergency housing service available from 5pm 365 days a year (also not funded by HUD). HUD does not fund any outreach services in Christchurch.

Capacity to deliver additional services and housing places	
Rental market capacity/ impact analysis	We do not think leasing from the market will have a significant influence on the wider market. Overall rental vacancy rate is 4.2%. Christchurch City has 588 studio/1/2-bedroom listings currently on Trade Me. Annual GeoMean Weekly Rent 1-Bdr (\$332) Annual GeoMean Weekly Rent 2-Bdr (\$494).
Provider capacity to deliver additional services	s 9(2)(j) [Redacted] [Redacted] [Redacted] [Redacted] [Redacted] [Redacted]

Proposed targeted responses		Costs
Proposed split of (up to) 300	Approx. 40 places (~11%) these places will be prioritised to those living without shelter who are already engaged with HF.	Approx. \$0.8m for FY25/26
Proposed location specific responses	s 9(2)(j) [Redacted] [Redacted] [Redacted] [Redacted] [Redacted] [Redacted] [Redacted] [Redacted] [Redacted]	Approx. \$1.0m for FY25/26

⁷ Data as at 30 June 2025 unless stated

⁸ From Homelessness Insights, June 2025 (section 'Figures from around the country')

Data notes:

Figures from Housing First reporting are subject to regular revision as the latest data from providers become available. Figures provided in this document are accurate as of the end of June 2025. Please note that Support Service Programmes Reporting, including Housing First and Rapid Rehousing, is designed to provide an overview of the programme nationally, rather than to be used for operational purposes at the regional or provider levels.

Demographic information from Housing First is for those identified as primary applicants.

GeoMean Rent is calculated from bonds lodged in twelve months to 1 June 2025.

Trade Me rental data was captured directly from Trademe.co.nz on 12th June 2025.

Vacancy rate is calculated by dividing the number of bonds lodged by the number of rental listings as an indicator of vacant versus tenanted, noting that a property might be both tenanted and listed for rent, if one party has issued notice to terminate, but is still in possession.



Annex B: Draft Cabinet Paper

Office of the Minister of Housing

Office of the Minister for Social Development and Employment

Office of the Associate Minister of Housing

Cabinet

Actions to address increases in people living without shelter

Proposal

- 1 This paper seeks agreement to government actions to address homelessness in the short-term with a focus on those living without shelter in the main urban centres.

Relation to government priorities

- 2 The proposals in this paper relate to improving value for money in public spending, delivering better social housing, and maintaining our reduction in the use of emergency housing.

Executive Summary

- 3 Homelessness is a problem New Zealand has grappled with for a long time. It is a symptom of a dysfunctional housing market and is exacerbated during challenging economic times. Significant progress has been made in reducing the use of emergency housing and Government Target 8 has been achieved. However, there continues to be a large (and growing) number of people living without shelter, including those sleeping rough. Two of the biggest issues raised around housing those living without shelter is access to the right housing and the need for supports.
- 4 We are seeking your agreement to a series of actions to address homelessness that will have an impact in the short term. These actions will focus on people living without shelter (including rough sleepers or people sleeping in cars) in main centres, particularly Auckland, Hamilton, Wellington and Christchurch. Longer term is also underway including the reset of housing and support programmes, s 9(2)(f)(iv) and the Going for Housing Growth programme.
- 5 We propose bringing on an additional (up to) 300 social housing places (at a cost of 7 million in FY25/26 and of \$10.8-11.8 million beyond FY25/26) that are the right typology (largely one bedroom) in the right place for Housing First households who are living without shelter. The quickest way to do this and secure the right housing is funding community housing providers (CHPs) who work with Housing First providers to lease appropriate properties from the private market.
- 6 We are also proposing that location specific responses are developed with providers already working with those living without shelter in the four main centres. These would be outcomes focused and will build on existing contracts to address gaps (up to \$10 million in FY25/26).

- 7 We propose funding these actions by [Proposed approach to funding additional actions to be added following discussion with Ministers].
- 8 We have also directed officials to progress actions focused on getting the most from existing services, programmes, supports and housing by:
- 8.1 better utilizing the over 6000 transitional housing places already available;
 - 8.2 improving access to social housing for Housing First households waiting to be housed (so these people can be housed quicker);
 - 8.3 expanded guidance for MSD staff on the use of their discretion in assessing Emergency Housing Grants (EHGs); and
 - 8.4 redirecting benefits to pay accommodation costs for people experiencing homeless moving into accommodation (MSD).
- 9 Officials will work CHPs, service providers, and local stakeholders to implement proposed actions.

Background

- 10 In July 2024, Cabinet committee agreed to reset the way the Government invests in housing and urban development from first principles, based on a clear view about the Government's role in housing [Cabinet committee reference]. In xx 2025, Cabinet committee agreed that the Government has four key roles in the housing system [Cabinet committee reference]. The second of those roles is delivering better housing supports to those who need it.
- 11 Work to date on delivering better housing supports to those who need it has focused on:
- 11.1 establishing a new approach to investment in housing and providing additional funding through Budget 25 into a flexible fund (recent Cab decisions);
 - 11.2 delivering additional social housing places; and
 - 11.3 the Kāinga Ora turnaround plan.
- 12 Government invests over \$550m in responding to or preventing homeless and has made significant progress in reducing the use of emergency housing and Government Target 8 has been achieved. However, there continues to be a large (and growing) number of people living without shelter, including those sleeping rough.
- 13 This paper sets out discrete short-term actions we intend to take to address homelessness, particularly for those living without shelter (including people who are rough sleeping). These actions are intended as an immediate response as work on the broader system is completed. In the medium-term actions are being progressed through the reset of housing and support programmes (Reset) s 9(2)(f)(iv)

- 14 Longer term, the Government's focus is on fixing the fundamentals of New Zealand's housing market through the Going for Housing Growth programme. Although this will take time to achieve impact, this programme seeks to shift the housing system to improve housing outcomes for all New Zealanders, including those who are homeless

Homelessness is a growing issue...

- 15 Collated information from councils and providers around the country indicates an increase in the number of people living without shelter.¹ This includes situations such as people living on the street and in improvised dwellings (e.g. living in a garage, a shack, or a car).
- 16 The most robust estimate we have of those living without shelter is the 2023 Census estimate of 4,965. Indications are that this has increased. While it is not possible to quantify the exact size of the increase, it appears to be greater than our 3 percent population growth. Based on estimates collected for the June Homelessness Insights Report, the number of people living without shelter in 2025 is at least: 800 in Auckland, 270 in Christchurch City, and 140 in Wellington City.
- 17 It is also not possible to determine the extent to which this change is attributable to Government policy or more broadly is a reflection of existing trends and broader economic and social conditions. Stakeholders have pointed to a range of potential contributing factors, including:
- 17.1 elevated level of demand for housing in emergency circumstances;
 - 17.2 lack of affordable housing;
 - 17.3 fewer housing options for single people;
 - 17.4 delays and challenges in being prioritised for those who have recently exited prison settings; and
 - 17.5 government policy and operating practices to tighten the emergency housing gateway.
- 18 People living without shelter is the smallest category of homelessness. However, the characteristics and needs within the group can be diverse. People living without shelter will range from those experiencing chronic homelessness to people who are newly living on the streets or temporarily in cars. The types and level of need will also vary within this group and can present in different ways. Providers report people living without shelter often experience complex and overlapping challenges, including mental health issues, substance use, and trauma. These individuals typically require intensive, wraparound support rather than standard housing interventions.

¹ June 2025 Homelessness Insights Report produced by the Ministry of Housing and Urban Development – Te Tūāpapa Kura Kāinga.

Homelessness is complex and there are no easy answers, but we're determined to take meaningful action ...

- 19 Homelessness is complex and there are no easy answers. However, we are determined to take meaningful action to address the growing levels of the most severe forms of homelessness. In light of this we asked officials for advice on further targeted interventions to provide help and support to those living without shelter, including rough sleepers. We asked for recommendations around better utilisation of existing programmes and existing services, and new ideas that will make an enduring difference
- 20 We have now considered that advice and this paper outlines our recommended short-term (3-6 months) package of actions to address homelessness.
- 21 We propose that further efforts to address homelessness in the short-term are targeted on those living without shelter. This includes those who are sleeping on the streets or in cars (who have experienced a recent life shock or those who have been without shelter for an extended period). This is the sharp end of homelessness and where there is greatest potential to reduce harm and wider costs to society.
- 22 We recommend largely focusing short-term efforts on major urban centres, specifically Auckland, Hamilton, Wellington, and Christchurch. This is due to a combination of factors, including demand and need in place, provider capacity and capability, as well as local supply opportunities.
- 23 We acknowledge the interventions we are proposing will address some but not all of the housing needs for people who are living without shelter, even in the four priority areas. Wider opportunities will be considered through longer term work.

We propose quickly bringing on an additional (up to) 300 social housing places of the right typology and in right places via CHPs leasing

- 24 Two of the biggest issues raised by providers that can limit access to appropriate housing for those living without shelter are access to the right housing and the need for ongoing support in many instances. We have heard from providers that unless these people are provided with ongoing support there may be hesitance from housing providers to place them. Potential risks associated with placing people with high and often complex support needs are compounded where multiple people with similar levels of high support need are living in close proximity.
- 25 The Housing First programme directly responds to the need for ongoing support. Housing First is targeted to supporting people who have been experiencing chronic homelessness including those living without shelter for extended periods, who have high and complex support needs.
- 26 Households in the Housing First programme (predominantly single-person households) receive support while efforts are made to secure appropriate stable housing and support continues after that for as long as it is needed. Domestic and international research has demonstrated the impact of the programme post-housing in achieving wider social and health outcomes and reducing costs across social, health and justice systems is high.

IN CONFIDENCE

- 27 As the name suggests, the first principle of Housing First is access to stable housing as quickly as possible. However, based on reporting from providers there are around 700 households in the Housing First programme across the four priority locations for short term actions who are waiting to be housed as at 30 June 2025 (Auckland (~525), Hamilton (~60), Wellington (~75), and Christchurch (~85)).
- 28 Around three in ten Housing First households waiting to be housed have been homeless for one to two years, with close to four in ten having experienced homelessness for 3 years or more. Information from providers suggests that around one third of Housing First households waiting to be housed are living without shelter (including rough sleeping) at any one time, and that this can be very fluid.
- 29 While Housing First providers work closely with Kāinga Ora – Homes and Communities (Kāinga Ora) and CHPs to place Housing First households into social housing when registered on the social housing register, there is currently not enough social housing of the right typology (e.g., mainly one bedroom) in the right places (e.g., close to supports) to support Housing First households to be housed as quickly as possible.
- 30 We propose that CHPs who work directly with Housing First providers in Auckland, Hamilton, Wellington, and Christchurch are funded to bring on (up to) 300 social housing for Housing First households who are living without shelter while waiting to be housed.² To achieve this quickly, CHPs will need to lease properties directly from the private market. We have directed officials to work directly with Housing First providers and CHPs to support this and to ensure those living without shelter are prioritised through locally led coordination of assessment, matching, and placement processes.
- 31 The estimated cost for the additional targeted social housing places is \$7 million in FY25/26 (pro-rated from a full-year cost of \$10.5 million due to phasing of delivery) and \$10.8-11.8 million per annum (including 3% CPI increase) beyond FY25/26. This includes funding for CHPs working with Housing First providers to engage a property broker to assist with working with private landlords to source appropriate properties.
- 32 We also expect officials to work to identify and address other barriers that may be preventing access to housing for Housing First households, so that they can be housed quicker, including in other regions. This will include ensuring Housing First households are on the social housing register and building on existing relationships between Housing First providers and housing providers, including Kāinga Ora. If there are operational changes needed to improve time to house, including at a local level, we expect officials to make these. Changes to wider policy or funding settings will need to be addressed through the Reset.
- 33 The pace at which CHPs can bring on additional social housing will be dependent on capacity, particularly for CHPs focused on Budget 24 and 25 delivery and the number of appropriate properties available in the private market. This includes properties that are the right fit for the household and the community. Although the softening rental

² These would be additional to the social housing places funded in recent Budgets that are due to be delivered in the next 18 months to two years (1500 places funded in Budget 2024 and at least 550 places in Auckland in Budget 2025).

market may assist with sourcing properties for some options in some locations, limited availability of affordable properties will likely impact on speed, cost and effectiveness.

We propose that location specific responses are developed with providers already working with those living without shelter

- 34 In addition to the (up to) 300 additional social housing places for Housing First households, we propose that officials work directly with local providers with proven track records in working with those living without shelter to identify location specific responses that would have impact in the short-term with a clear focus on outcomes.
- 35 We do not want to create additional new programmes at a time when are working to make the system simpler. Location specific responses will need to build on existing services to address gaps including by potentially scaling up, or better targeting approaches that are already working for people who are living without shelter (noting this population group often has high and complex support needs). This could include additional transitional housing to support people who may otherwise end up or remain rough sleeping; out of hours access to transitional housing support, which could include triage and assessment processes; and connected outreach services.
- 36 The estimated cost for location specific responses will be up to \$10 million for FY25/26.

Ensuring we are getting the most out of our existing programmes and tools

- 37 Significant investment of more than \$550 million per annum is made in programmes which support people who are experiencing or at risk of homelessness – this includes through emergency housing, transitional housing, and Housing First. Alongside the above short-term actions, we expect HUD and MSD to optimise existing supports and services.
- 38 The work described below is already underway and we have directed officials to report back to us on progress as the work progresses.

Transitional housing

- 39 As at 30 June 2025 HUD contracted 6,207 transitional housing places with 88 providers. Transitional housing provides temporary housing and support services for people with immediate housing need who have no appropriate alternative place to stay. Few providers have the capability and capacity to support people with the highest and most complex support needs.
- 40 Approximately, 80 percent of transitional housing places are occupied at the end of each month. Around 10 percent of places are unavailable at any one time (mainly due to maintenance and repairs) and around 10 percent are available for new households to move into and awaiting referral and placement.
- 41 We have directed officials to optimise the existing transitional housing to increase occupancy (including for those otherwise living without shelter) and reduce turn-around time which will include:

- 41.1 rebalancing the portfolio to increase places where accommodation is suitable for, and providers have capability to support those living without shelter (i.e. not increasing net TH places, and reducing in places where there is less demand);
 - 41.2 optimising occupancy (minimising vacancy rates);
 - 41.3 improving efficiencies in referral processes (e.g. time to complete) and ensuring assessments of MSD referrals are prioritised.
- 42 Whilst matching households with the right provider and place is complex, we think this will be improved through the operational coordination between HUD, MSD and providers and by stronger system-wide connections to reduce referral times.
- 43 HUD, in consultation with MSD, will focus on matching available housing stock—particularly one-bedroom units—with household needs. This may also include sourcing properties that accommodate pets, which are often essential for household members with support animals. This will occur as leases come up for renewal or new supply.

Expanded guidance on the use of discretion in assessing Emergency Housing Grants

- 44 No changes are proposed to the policy or secondary legislation governing the gateway into emergency housing. There is, however, an opportunity for expanded guidance to Ministry of Social Development (MSD) staff who are exercising discretion when considering an application for an Emergency Housing Grant (EHG). There is also an opportunity for MSD to strengthen operational guidance regarding exercise of discretion in redirecting benefit payment to meet accommodation costs.
- 45 This work is underway already and we have directed officials from MSD to report back to us on progress by the end of October.

Discretion in relation to the income and asset test for an Emergency Housing Grant

- 46 MSD will expand guidance around the use of exceptional circumstances, when considering income and cash asset limits as part of the means test for EHG. Around two percent of declined applications for EHG are due to exceeding the cash asset or income test. Greater use of discretion in this area may encourage people with income or cash assets over the usual limit, to approach MSD for EHG support. This measure is likely to be of most benefit to working people or the newly homeless (for example, people recently homeless due to job loss, rent arrears, or overcrowded conditions), including those who have employment. This is not expected to impact a significant number of rough sleepers.

Strengthen short-term stay guidance for an Emergency Housing Grant

- 47 MSD will strengthen guidance around making a short-term EHG (e.g., one to three nights), including providing more scenarios and examples of best practice approaches for MSD staff. Greater use of short-term stays will allow more people to get help with their immediate housing need.

- 48 This has potential to better address the immediate housing needs of people living without shelter, in cars, or in uninhabitable or overcrowded housing. It does, however, involve a risk that people may still not have alternative accommodation at the end of this time. There is potential to extend a short-term grant for an additional three nights before any decline (to allow more time for the applicant to source any additional information and for MSD to continue to work with the person, and providers, to explore alternative housing options). Short stays will, however, need to be ended at some point.

Strengthen guidance on redirection of a benefit for accommodation costs

- 49 Under the Social Security Act 2018, MSD has the authority to redirect some or all of a beneficiary's benefit, with or without their consent, provided that there is good cause to do so.
- 50 The Ministerial Direction on Redirection of Benefit Payments (secondary legislation) provides guidance as to the factors MSD must consider when deciding whether there is good cause to redirect a person's benefit. This includes the situation where the person is considered to be a vulnerable tenant. For people who are experiencing homelessness, redirection of benefit is likely to assist them to obtain accommodation and once housed to retain that accommodation.
- 51 Concerns have been raised by some providers that where MSD redirects a benefit, the beneficiary can cancel that redirection at any time, which then means they are at risk of losing their accommodation. In the situation where MSD redirects a benefit without the beneficiary's consent, and the beneficiary has requested MSD to stop the redirection, MSD can continue to redirect the benefit without the beneficiary's consent if there remains good cause. s 9(2)(g)(i)
- 52 Strengthened operational guidance and communications to frontline staff will make it clearer that MSD can exercise its discretion to redirect a person's benefit without their consent, if good cause exists. This would include beneficiaries at risk of experiencing homelessness, such as having low income and other priority needs, or a history of losing their tenancy because of failure to make rental payments on time. This would also include beneficiaries who are experiencing homelessness, including those living without shelter, once they have been placed into accommodation to encourage prospective landlords or accommodation providers to accommodate them.

Monitoring the impact of short-term actions

- 53 Officials will use existing monitoring and reporting to provide information on the outputs and outcomes of the short-term actions where possible. To align with Treaty of Waitangi responsibilities, officials will need to monitor the impact of initiatives for Māori and how they are impacting equity of outcomes.
- 54 The Homelessness Insights Report will continue to be used to monitor changes in homelessness at a population level and local level every 6 months. In the short-term it may not be possible to identify any shifts directly resulting from the implementation of the proposed actions. Officials will continue to work with providers, local

authorities, and agencies on improving data that helps us understand any changes in homelessness.

Cost-of-living Implications

55 The changes proposed in this better will utilise our existing supports. We expect this will result in better housing outcomes for people supported through emergency, transitional, and social housing.

Financial Implications

56 PLACEHOLDER

Legislative Implications

57 There are no legislative implications with this paper.

Impact Analysis

Regulatory Impact Statement

58 There are no regulatory impacts with this paper.

Climate Implications of Policy Assessment

59 A Climate Implications of Policy Assessment is not required for the proposals in this paper.

Population Implications

60 The proposals in this paper are intended to have a positive impact for people who are living without shelter, who would otherwise continue to experience disproportionately poor social outcomes (including health and housing). Disproportionately poor social outcomes often stem from historical and ongoing inequities. The populations particularly affected by poor social outcomes include Māori, Pacific people, children and young people, disabled people, and older people.

Human Rights

61 This proposal is not inconsistent with either the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Use of external Resources

62 No external resources were used in the preparation of the policy advice in this paper.

Consultation

63 [TO BE ADDED]

Communications

- 64 Officials will work with Ministers' offices on communications regarding the proposals in this paper.

Proactive Release

- 65 This paper will be proactively released [TO CONFIRM].

Recommendations

The Minister of Housing recommends that the Committee:

- 1 **note** increase in people living without shelter
- 2 **note** longer term work is underway through the reset of housing and support programmes, s 9(2)(f)(iv)
- 3 **note** significant investment more than \$550 million per annum is made in programmes which support people who are experiencing or at risk of homelessness
- 4 **agree** further efforts to address homelessness in the short-term are targeted on those living without shelter
- 5 **agree** short-term actions in major urban centres, specifically Auckland, Hamilton, Wellington, and Christchurch are needed to address the increase in people living without shelter while longer term work is underway
- 6 **note** short-term actions will address some but not all housing need for people living without shelter
- 7 **agree** the Ministry for Housing and Urban Development will fund an additional (up to) 300 social housing places that CHPs who work directly with Housing First providers in Auckland, Hamilton, Wellington, and Christchurch may lease from the private market for Housing First households who are living without shelter (at a cost of \$7 million in FY25/26 and \$10.8-11.8 million per annum beyond FY25/26)
- 8 **note** Housing First providers will work with households and MSD frontline staff to ensure that households are assessed for and appropriately placed on the social housing register, if they are not already
- 9 **agree** to the development of location specific responses identified through targeted engagement between officials and local providers with proven track records in working with people living without shelter (at a cost of up to \$10 million in FY25/26)
- 10 **note** location specific responses will need to have impact in the short-term and focus on outcomes
- 11 **authorise** the Minister of Housing in consultation with the Minister of Social Development and Employment and the Associate Minister of Housing to take decisions within the available funding to give effect to location specific responses

IN CONFIDENCE

identified through targeted engagement between officials and providers at a local level

- 12 **note** the Ministry of Housing and Urban Development are working to optimise the utilisation of current transitional housing places
- 13 **note** the Ministry of Social Development will be providing expanded guidance for staff to assist them in using their discretion when considering an application for an Emergency Housing Grant, including:
 - 13.1 determining when there are exceptional circumstances to consider applications from people who have income and/or cash assets in excess of the specified limits; and
 - 13.2 when it may be appropriate to pay an Emergency Housing Grant for a short period (e.g., one to three nights) during which there is an opportunity to explore alternative housing options for the person.
- 14 **note** the Ministry of Social Development can redirect a benefit to a landlord or an accommodation provider with or without the consent of the beneficiary under current legislative settings, if there is good cause to do so
- 15 **note** the Ministry of Social Development will implement a short-term action to prevent homelessness, which involves strengthening operational guidance and communications for frontline staff to make it clearer that:
 - 15.1 the Ministry of Social Development can redirect a benefit for accommodation payments with and without the tenant's consent if there is good cause; and
 - 15.2 the Ministry of Social Development can use its discretion to redirect a benefit for beneficiaries who are experiencing homelessness once they have been placed into accommodation to encourage prospective landlords or accommodation providers to accommodate them
- 16 **agree** [TO COME proposed funding recommendation]

Hon Chris Bishop
Minister of Housing

Hon Louise Upston
Minister for Social Development and Employment

Hon Tama Potaka
Associate Minister of Housing



Briefing

APPROVAL FOR A ONE-OFF FUNDING TRANSFER FOR ACTIONS TO ADDRESS HOMELESSNESS			
To Ministers	Hon Nicola Willis	Portfolio	Minister of Finance
	Hon Chris Bishop		Minister of Housing
CC Minister	Hon Louise Upston		Minister for Social Development and Employment
	Hon Tama Potaka		Associate Minister of Housing
Date	21/08/2025	Priority	High
Tracking number	HUD2025-007873		

ACTION SOUGHT	
Action sought	<p>Agree to transfer \$45.2 million from the Transitional Housing appropriation to the Social Housing appropriation.</p> <p>Approve changes to the Vote: Housing and Urban Development appropriations required to facilitate the above.</p>
Deadline	22/08/2025

CONTACT FOR DISCUSSION			
Name	Position	Telephone	1st contact
Tony De Gregorio	Chief Financial Officer	s 9(2)(a)	✓
David Taylor	Finance Business Partner		

OTHER AGENCIES CONSULTED
The Treasury



RECOMMENDED ACTIONS

It is recommended that you:

1. **Note** that Ministers agreed to five short-term actions to address rising levels of homelessness [HUD2025-007725, REP/25/8/623 refers]. Two of these have fiscal implications and three are cost neutral:

- a. Enable Housing First providers to lease up to 300 additional social housing places from the private market to house unhoused Housing First households. The focus for these additional social homes will be rough sleepers. (**\$7.0 million FY25/26 and ongoing funding of \$10.8 - \$11.8 million per annum**).
- b. HUD works with providers to develop plans for additional location specific services that build on existing contracts and address gaps (**up to \$10.0 million FY25/26**).
- c. Expanded guidance for MSD staff on the use of their discretion in assessing Emergency Housing Grants – cost neutral.
- d. Optimising transitional housing (TH) by aiming to increase occupancy and reduce turn-around time – cost neutral.
- e. MSD being clear with providers that benefits can be redirected to pay for accommodation with or without the beneficiary’s consent if there is good cause – cost neutral.

Yes / No

2. **Agree** to fund the short-term actions to address homelessness through a one-off fiscally neutral transfer from the Transitional Housing multi-category appropriation (MCA) to the Social Housing MCA.

Agree / Disagree

2. **Note** FY25/26 costs of up to \$17.0 million will be met through forecast underspends within the Transitional Housing and Social Housing appropriations.

Yes / No

Either

3. **Agree** to defer decisions to Budget 2026 on how to fund the ongoing cost of the additional 300 social housing places in recommendation 1.

Agree / Disagree

or

4. **Approve** the following fiscally neutral adjustment to provide for the ongoing costs for recommendation 2 above, with no impact on the operating balance and/or net debt:

Approve / Not Approve



Vote Housing Minister of Housing	\$m – increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Social Housing MCA Non-departmental Output Expense: Purchase of Social Housing Provision	-	10.800	11.100	11.500	11.800
Transitional Housing MCA Non-departmental Output Expenses: Provision of Transitional Housing Places	-	(10.800)	(11,100)	(11.500)	(11.800)

5. **Agree** that the proposed changes to appropriations for 2025/26 above be included in the 2025/26 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply. Agree/
Disagree

Tony De Gregorio
Chief Financial Officer
21 / 08 / 2025

Hon Nicola Willis
Minister of Finance
24 / 8 / 25

Hon Christopher Bishop
Minister of Housing
..... / /



Purpose

1. To seek joint approval from the Minister of Finance and the Minister of Housing (joint Ministers) on decisions to enable short-term actions to address homelessness [HUD2025-00725 / REP/25/8/623 refers]. In particular, agreement to either defer decisions on ongoing costs from 2026/26 to Budget 2026 or to transfer \$45.2 million of funding from the Transitional Housing appropriation to the Social Housing appropriation within Vote Housing and Urban Development. Funding for FY25/26 is able to be met from within current Social Housing and Transitional Housing forecasts.

Background

2. In response to rising numbers of people living without shelter, Ministers directed officials to provide advice on short-term options, that could be delivered at pace, to address the rising levels of immediate homelessness (such as those sleeping rough or living in cars).
3. On 18 August 2025, the Minister of Housing, Minister for Social Development and Employment and Associate Minister of Housing agreed to five actions [HUD20250-007725 refers].
4. Two of these actions have fiscal implications:
 - a. Enabling Housing First providers to lease up to 300 additional social housing places from the private market unhoused Housing First households, with a focus on those sleeping rough, at a cost of \$7.0 million FY25/26 and ongoing funding of \$10.8 - \$11.8 million per annum.
 - b. Working with providers to develop plans for additional location specific services that build on existing contracts and address gaps for those living without shelter. At a cost of no more than \$10.0 million FY25/26.
5. Three actions have no cost implications:
 - a. Expanding guidance for MSD staff on the use of their discretion in assessing Emergency Housing Grants.
 - b. Optimising transitional housing (TH) by aiming to increase occupancy and reduce turn-around time.
 - c. Strengthening operational guidance and communications to frontline staff to make it clearer that MSD can redirect a benefit for accommodation payments with or without the beneficiary's consent if there is good cause.

We are seeking approval for reprioritisation of funds to deliver these actions

6. The table below provides a summary of the funding required by financial year.

Table 1: Total funding required across the forecast period

FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	TOTAL
\$17.0M	\$10.8M	\$11.1M	\$11.5M	\$11.8M	\$62.2M

7. The \$10.0 million location specific services will include delivering targeted TH places to support those sleeping rough (TH MCA), along with additional Outreach services (funded out of the services category within the SH MCA). The final split between TH and SH will be determined after HUD engages with providers in each priority location to further develop these local approaches.
8. HUD has identified one-off savings in FY25/26 across the TH and SH appropriations that can be reprioritised to meet the FY25/26 cost (up to \$17.0 million). These savings result from a reduction in our forecasts (compared to BEFU forecasts), due to exiting TH motels earlier than previously forecast, along with rephrasing of the delivery forecasts for the Auckland 550 social housing places. Utilising these savings will have no impact on OBEGAL.

Funding options

9. HUD proposed three options for funding the ongoing cost of the additional 300 social houses:
 - a. **seek new funding** – through Budget 26.
 - b. **defer reprioritisation decision until Budget 2026** – incorporate with other cost pressures under consideration for Budget 26.
 - c. **reprioritise now** to meet full ongoing costs of social housing places
10. To ensure we have appropriate fiscal management practices in place we are proposing options for reprioritisation decisions in this Briefing.
11. There are limited options to reprioritise now, as the majority of operating expenditure is contained in a few appropriations, or the appropriation is capital in nature. However, options include:
 - a. Option A: Utilising Reset of Housing Supports and Services as a mechanism to identify additional savings options within the transitional and social housing appropriations. The risk is approving a transfer ahead of the review, however there are choices around matching the service to within the forecasted. In the future we may be required to rebalance the TH and SH appropriations. (Preferred option)
 - b. Option B: reprioritise funding from other programmes and by reducing delivery of new social homes or affordable rentals funded through Budgets 2024 and 2025 or to suspending other. We would need to come back to you on which programmes to scale back.



Risks

12. Reprioritising now will reduce your flexibility to meet other cost pressures and new spending through Budget 26.
13. Reallocating TH funding before the reset work is finalised may reduce access to high impact supports and services and could impact on current commitments and TH strategy.