



Aide-memoire

ESTABLISHING A PRIORITY ONE CATEGORY FOR EMERGENCY HOUSING CLIENTS ON THE HOUSING REGISTER – CABINET PAPER FOR CONSULTATION

Date	30 January 2024	Priority	Medium
Tracking number	HUD2024-003619 REP/24/1/066		

INFORMATION FOR MINISTER(S)

Hon Chris Bishop Minister of Housing	Consult with your Ministerial colleagues on the attached draft Cabinet paper.
Hon Louise Upston Minister for Social Development and Employment	Consult with your Ministerial colleagues on the attached draft Cabinet paper.
Hon Tama Potaka Associate Minister of Housing (Social Housing)	For information

CONTACT FOR DISCUSSION

Name	Position	Telephone	1st contact
Jeremy Steele	General Manager, Policy and Legislation Design, HUD	s 9(2)(a)	✓
Hayley Hamilton	General Manager, Housing, Employment and Climate Change, MSD	s 9(2)(a)	

OTHER AGENCIES CONSULTED

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MINISTER'S OFFICE TO COMPLETE

<input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> See Minister's notes <input type="checkbox"/> Needs change <input type="checkbox"/> Overtaken by events <input type="checkbox"/> Declined <input type="checkbox"/> Referred to (specify) _____	Comments
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ESTABLISHING A PRIORITY ONE CATEGORY FOR EMERGENCY HOUSING CLIENTS ON THE HOUSING REGISTER – CABINET PAPER FOR CONSULTATION

Minister	Hon Chris Bishop, Minister of Housing Hon Louise Upston, Minister for Social Development and Employment Hon Tama Potaka, Associate Minister of Housing (Social Housing)		
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Purpose

1. The purpose of this aide-memoire is to provide you with a revised draft of the Cabinet paper *Establishing a Priority One category for Emergency Housing clients on the Housing Register* for consultation with Ministerial colleagues by 7 February 2024.

Background

2. The Ministry of Housing and Urban Development (HUD) and Ministry of Social Development (MSD) provided you with a draft version of the Cabinet paper and a cover briefing on 24 January 2024 (HUD2023-003430 – REP/24/1/046 refers)

Updates to the draft Cabinet paper

3. The attached draft Cabinet paper reflects your feedback and decisions on the first draft. To improve readability and clarity we have:
 - a. Reduced length – we have removed three annexes, and reduced the length of the main paper
 - b. Outlined the framework for the parameters of the fast track in para 29.
4. We have also updated wording in the recommendations based on guidance from the Cabinet Office. These changes included:
 - a. Adding a noting recommendation to explain why decisions are being sought.
 - b. Minor wording changes in recommendations two and six.
5. You have asked for the Cabinet paper to be stronger in reflecting that changes to the Emergency Housing eligibility criteria are required alongside delivery of Priority One to avoid perverse incentives with the Priority One fast track.
 - a. We have indicated in the paper that MSD and HUD will start work to investigate possible changes to the eligibility criteria for Emergency Housing Special Needs



Grants and Contracted Emergency Housing to mitigate the risk of perverse incentives (paragraphs 23-24).

- b. We have also indicated in the paper that the current proposed delivery of mid-March 2024 for the Priority One fast track will be delayed if changes to Emergency Housing eligibility criteria are to be delivered alongside this.
6. We will look to investigate possible changes to the eligibility criteria and provide you with further advice on options for changes and the effect this could have on the delivery of the Priority One fast track s 9(2)(f)(iv) However, it will take some time to work through these options and identify solutions that will have the most effect on the number of families in Emergency Housing.
7. With the delay to delivery in mind, we recommend you proceed with delivering the Priority One fast track for mid-March 2024 and the changes to the eligibility criteria for Emergency Housing proceed on a slower timeline. MSD can manage the initial risk of perverse incentives through operational processes, while changes to the eligibility criteria for Emergency Housing are worked through further.
8. s 9(2)(f)(iv)

Consultation

9. Consultation with Treasury, Te Puni Kōkiri – the Ministry for Māori Development, Ministry for Pacific Peoples, Te Whatu Ora, Whaikaha, the Ministry for Primary Industries and Ministry of Justice is being undertaken between 30 January and 5 February 2024. The Department of the Prime Minister and Cabinet has been informed.

Next Steps

10. Ministerial consultation could commence on 31 January 2024. The paper is expected to be lodged on 8 February 2024 for consideration at the 100-Day Plan Committee on 14 February 2024, and Cabinet on 19 February 2024. There is also a 100-Day Plan Committee on 21 February if there are significant issues to address following consultation.
11. MSD advises that the target date for implementing Priority One is 13 March 2024. Prior to this, to assist placements, MSD is collating information for housing providers about the numbers and sizes of eligible families in each location.



12. We will provide your offices with talking points for the final version

ACTION	INDICATIVE TIMING
Ministerial consultation	31 January – 7 February 2024
Lodge Cabinet paper	8 February 2024
100-Day Plan Committee	14 February 2024
Cabinet	19 February 2024

Annexes

Annex A: Draft Cabinet paper – Establishing a Priority One category for Emergency Housing clients on the Housing Register

Annex A: Draft Cabinet paper – Establishing a Priority One category for Emergency Housing clients on the Housing Register

In Confidence

Office of the Minister of Housing

Office of the Minister for Social Development and Employment

Cabinet – 100-Day Plan Committee

Proposal

- 1 This paper proposes to establish an additional “fast track” for the Social Allocation System (SAS) ¹. This is intended to deliver on our 100-day plan commitment to “establish a priority one category on the social housing waitlist to move families out of Emergency Housing into permanent homes more quickly”.

Executive Summary

- 2 Too many people are relying on Emergency Housing for too long and this is not an appropriate place for children to be growing up. Our overall aim is to end large scale use of motels as Emergency Housing within three years and to take immediate steps to get families out of Emergency Housing and into permanent housing more quickly.
- 3 The aim of fast-tracking households in Emergency Housing is to stabilise their housing situation and reduce the risk of poor long-term outcomes. This fast track would ensure families in Emergency Housing that meet eligibility criteria are prioritised within the Social Housing Register.
- 4 Given the limited supply of social housing, fast tracks are most effective if kept relatively small. We recommend initially focusing on families with a dependent child or children:
 - 4.1 who are in motels receiving an Emergency Housing Special Needs Grant (EH-SNG)² for 12 consecutive weeks or more³
 - 4.2 in Contracted Emergency Housing Motels in Rotorua (this is predominantly used instead of EH-SNGs for families in Rotorua).
- 5 The fast track may assist eligible families (currently around 800) into housing more quickly. However, it will be constrained by factors such as available housing supply, families’ specific needs and location, placement practices, and the complex needs these families have.
- 6 Additional measures (a number of which are underway) will be needed to reduce the time families spend in Emergency Housing and get them into permanent housing and mitigate potential perverse incentives. These include exploring options around placement/allocation practices, increasing housing

¹ SAS is used to assess people’s eligibility for the Housing Register - see paragraph 14.

² EH SNGs fund clients to stay in temporary accommodation, such as motels.

³ MSD’s measure of consecutive weeks allows people to leave EH for up to 28 days without this time breaking their recognised consecutive 12 weeks. The up to 28 days outside of EH are not counted toward the 12-week total and a client can have more than one period outside of emergency housing as part of their 12-week EH stay.

supply, ensuring Emergency Housing is only used where absolutely necessary (including making changes to the eligibility criteria for Emergency Housing), and supporting locally led place-based responses.

- 7 We expect to receive further advice from officials on Emergency Housing eligibility criteria changes, to ensure the risk of perverse incentives is managed. We will provide an update on this as well as a broader strategic approach to significantly reducing the use of motels as Emergency Housing s 9(2)(f)(iv)

Relation to government priorities

- 8 This proposal responds to the 100-day priority commitment to establish a priority one category on the social housing waitlist. [Placeholder for any reference to target developed for housing/emergency housing]

Background

- 9 The Emergency Housing system supports people in need of temporary accommodation via two main approaches:
 - 9.1 Emergency Housing Special Needs Grants (EH SNG), administered by the Ministry of Social Development (MSD) – These fund the client to stay in motels (mainly). This is provided as a last resort for individuals and whānau who have an immediate Emergency Housing need. Grants are provided for up to three weeks per grant period and can be renewed if required. Clients receiving an EH SNG can also access support services, though these are provided and funded separately.
 - 9.2 Transitional Housing (6,100 places) – Housing and wrap-around support provided by contracted Transitional Housing providers. Most Transitional Housing places are in houses with full facilities, however there are 795 units in motels being used for this service. There is a focus on reducing the number of Transitional Housing motel places.
- 10 Other approaches include Contracted Emergency Housing motels in Rotorua, which allows strategic placement of clients (predominantly families with children) to best meet their needs. It also means that wraparound supports, similar to those in Transitional Housing, can be provided. COVID motels have also been used to house vulnerable people during COVID lockdowns. **Annex A** provides information on the different types of emergency and government supported housing.
- 11 The number of EH SNGs and the number of motels has steadily reduced since the peak in November 2021. However, there are still high numbers and people are spending too long in Emergency Housing motel accommodation:
 - 11.1 As at the month ending 31 December 2023, there were:

- 11.1.1 2,976 households receiving EH SNGs including 1,512 families with a total of 3,186 children⁴
- 11.1.2 162 households in contracted Emergency Housing motels in Rotorua, including 252 children
- 11.2 \$86.2 million was granted for EH SNGs in the quarter ending 31 December 2023.
- 12 People accessing EH SNGs frequently have acute and complex needs in addition to housing. Some of the challenges these households face include low income, mental health conditions, criminal offending history, or an Oranga Tamariki care and protection or youth justice event in their childhood. Māori make up 60 percent of households receiving EH SNGs.
- 13 We need to move families as quickly as possible to a stable home in either social or private housing. **Annex B** provides an overview of potential pathways through the Emergency Housing system, which are largely constrained due to limited supply of social and private housing.

Most Emergency Housing clients are already a high priority for social housing

- 14 The SAS assesses a client's need to move and tests a client's ability to access, afford and sustain non-government subsidised housing. Applicants are given a priority and rating based on five needs-based eligibility criteria. The Social Housing Register (the Register) currently has 25,389 eligible applicants, of which 93.1 percent, or 23,640 applicants, were assessed as Priority A (at risk – a severe and persistent housing need that must be addressed immediately).⁵
- 15 Over 83 percent of all households receiving EH SNGs are on the Register. The remainder are in the process of being assessed on their eligibility or are not eligible. High priority households may take a longer time to house in social housing as they have more complex needs and housing situations.

We recommend establishing a new fast track to deliver the Priority One category

- 16 We want to ensure that families with children who are in Emergency Housing motels are a top priority on the Register and get into stable housing as quickly and sustainably as possible.
- 17 Establishing a new fast track would mean that any family that meets all relevant criteria (paragraphs 29 - 42) would be fast tracked for the next suitable social housing place. The fast track will prioritise eligible households above households with A20 (the highest rating) on the Register. This approach aligns with the two existing fast tracks⁶.

⁴ There are around 160 people or households that have received grants for over two years (of those, 50 are families with children), and around 400 that have received grants for between 12 and 24 months (145 are families with children)

⁵ As at 31 December 2023

⁶ Fast tracks are in place for Oranga Tamariki caregivers and children at risk of rheumatic fever.

The fast track will better indicate to housing providers which families are in Emergency Housing but constrained social housing supply will affect impact

- 18 The fast track will ensure that eligible families are identified as high priority. However, other factors over and above their priority will impact the time to get into social housing. Pace of placement depends on:
- 18.1 how quickly a suitable property becomes available
 - 18.2 what the families' specific needs are
 - 18.3 their readiness to be placed
 - 18.4 the number of other people on the Register who are also fast tracked, and
 - 18.5 placement and allocation practices of housing providers.
- 19 Social housing availability varies significantly across regions. There are around 800 placements per month nationally⁷ – placements in regions like Gisborne are relatively low (nine per month) but are much higher in Auckland (280 per month).

The fast track may need other Emergency Housing system actions to be effective

- 20 To ensure that the priority given via the fast track has the most impact will require operational placement and allocation practices to reinforce this and for there to be appropriate supports available and manage perverse incentives.

Support Services

- 21 Support services assist the growing number of people with multiple and complex challenges to transition into sustainable, secure housing, in both private and social sectors. Support services include intensive case managers and housing system navigators⁸, Ready-to-Rent programmes to prepare clients for the move into stable housing, and housing brokers.⁹

- 22 s 9(2)(f)(iv)
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Changes to the eligibility criteria

- 23 MSD and HUD are investigating changes to the eligibility criteria for Emergency Housing (including Emergency Housing Special Needs Grants

⁷ For comparison, around 1,500-2,000 applications are entered into the Register each month, and 800-1,200 exit the register each month without being placed in social housing.

⁸ Case managers and system navigators work with clients to better characterise their needs and coordinate with agencies and housing providers to put supports in place.

⁹ Housing brokers find suitable housing for Emergency Housing and Transitional Housing clients.

and Contracted Emergency Housing). Changes to clarify the eligibility criteria could mitigate the risk of people entering, returning to, or staying longer in Emergency Housing to be put on the Priority One fast track for social housing. Work is still required to understand the options for changes to the Emergency Housing eligibility criteria and consequences of any proposed changes.

- 24 Delivering changes to the Emergency Housing eligibility criteria alongside the Priority One fast track would delay delivery of the fast track, which is currently proposed for mid-March 2024. Officials will provide us further advice on changes to the eligibility criteria that can be delivered and impacts on the implementation timing for the Priority One fast track. We will provide Cabinet an update on this s 9(2)(f)(iv) .

Placement and allocation practices

- 25 Placement and allocation practices for both Kāinga Ora and Community Housing Providers (CHPs) will need to support the fast track status given to the families in Emergency Housing. There are operational and technical issues which complicate and impede the placements process, and these have grown as the Register has increased¹⁰.
- 26 To ensure implementation of the Priority One fast track is successful, Kāinga Ora needs to be prepared for the level of demand from families on the newly established fast track. MSD and Kāinga Ora are working together on operational improvements to the current placement process and allocation of social housing for those on the Register. MSD is currently identifying families likely to be eligible for the Priority One fast track and sharing the number of families, family sizes and location for social housing with Kāinga Ora to enable it to be prepared for placements of Priority One households.

There may be a negative impact on some households currently on the Register

- 27 Officials cannot reliably advise on the impact that a fast track will have for high priority Emergency Housing families (A15-A20), as this group still has housing difficulties associated with high and complex needs. The fast track may make limited difference to this group's time to house. For families that are lower priority (A10-14), being fast tracked could slightly reduce their time to house.
- 28 There is a risk that some groups may miss out on social housing, or have to wait longer, given the added weighting towards Priority One. For example, single people, and families with children living in over-crowded or substandard housing, who are potentially worse off than those in emergency housing, may effectively be deprioritised on the Register. The policy may disadvantage particular cohorts who are not eligible for the Priority One fast track and may run counter to existing locally led programmes or iwi partnerships.

¹⁰ While there is ongoing work to improve systems and processes, the information in Register short lists requires considerable manual processing to follow up and determine the suitability of dwellings for the short-listed applicant.


Key Parameters of the Priority One Fast Track

- 29 In making recommendations around eligibility criteria for the Priority One fast track we considered the following:
- 29.1 impact of the fast track on other groups (outside Priority One) with high housing need
 - 29.2 impact on the overall functioning of the SAS
 - 29.3 effectiveness of the fast track
 - 29.4 level of need and urgency for differential treatment
 - 29.5 mitigating perverse incentives and associated behavioural change.
- 30 To be eligible for the fast track, families will need to have met existing eligibility criteria for social housing and be on the Register.

The policy will initially focus on families stuck in motel accommodation

- 31 We recommend “Emergency Housing” for the purposes of the fast track is initially limited to EH SNG clients in motels and other commercial accommodation and those in Rotorua Contracted Emergency Housing. Focusing on this Emergency Housing first aligns with our intention to reduce large scale use of motels within three years.

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

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The policy should focus on families with children under 18 or still at school

- 33 We propose that “families” are defined as those with at least one dependent child (including sole parents).¹¹ We recommend using the definition of dependent child from the Social Security Act 2018, which includes children under 18 years of age and children who are 18 but still at school and financially dependent.
- 34 Using this definition makes a clear distinction between Emergency Housing clients (singles and couples) without children, aligns with other Social Security Act systems, and is faster to implement¹².

Targeting families stuck in emergency housing for 12 weeks or more

- 35 We propose that, to target the families that are stuck in Emergency Housing for an extended period, eligible families will need to have been in Emergency Housing for 12 consecutive weeks. This would make an estimated 800

¹¹ This includes where children normally live with their family but are not staying in Emergency Housing

¹² MSD will identify families eligible for the Priority One fast track using data collected from the Social Housing Register. This data reflects households with dependent children better than Emergency Housing data does, as clients may not have their children staying with them in Emergency Housing.

families eligible for the fast track, though families will move in-and-out of eligibility over time.

- 36 MSD currently measures consecutive stays to allow gaps in accessing Emergency Housing of up to 28 days.¹³ We propose continuing to use this approach to measuring consecutive stays as a change of approach would result in delays in the delivery timeframe. We also do not want to incentivise families to re-enter Emergency Housing in order to qualify for Priority One.
- 37 We also propose MSD has discretion, in exceptional circumstances, to put a family on the fast track if they have been in and out of Emergency Housing for a cumulative total of 12 weeks or more but do not meet the consecutive stays measure.

We recommend that existing fast tracks are prioritised above Priority One

- 38 There are two existing fast tracks on the Register to enable placement of children, families, and caregivers with the greatest needs in social housing. One is for Oranga Tamariki caregivers¹⁴, and the other is for families with children who have or are at risk of rheumatic fever. Housing children using these fast tracks remains a high priority.
- 39 The existing fast tracks together currently have less than 50 eligible families and have equal priority. The size of the Priority One fast track may significantly reduce the effectiveness of existing fast tracks if given equal priority.
- 40 While we want to get children out of Emergency Housing motels, we do not want to do this by disadvantaging children in the existing fast tracks. Therefore, we propose the existing fast tracks for children, families, and caregivers with the greatest needs retain the highest priority.

s 9(2)(f)(iv)

41 s 9(2)(f)(iv)

42 s 9(2)(f)(iv)

¹³ The up to 28 days outside of EH are not counted toward the 12-week total and a client can have more than one period outside of emergency housing as part of their 12-week EH stay.

¹⁴ This fast track includes caregivers of children in the custody of Oranga Tamariki, receiving an Orphan's or Unsupported Child's benefit (for children formerly in the custody of Oranga Tamariki), or in a permanent care arrangement. The fast track also supports households where children and young people are in 'return home' placements, where children and young people in the custody or care of Oranga Tamariki are returning home to live with their parents or family.

¹⁵ s 9(2)(f)(iv)

s 9(2)(f)(iv)

Officials will provide additional advice to Ministers on a broader strategic approach to significantly reduce the use of motels

- 43 In isolation, a Priority One fast track will have a limited impact on reducing the number of families in Emergency Housing. Delivering on our aim of ending large scale use of motels within three years and getting families out of Emergency Housing and into permanent housing more quickly will require co-ordinated actions (many of which are underway) that:
 - 43.1 reduce the need for Emergency Housing in the first place (prevention actions including financial supports, support programmes and cross-agency actions to address risk factors)
 - 43.2 ensure that people only access and continue to stay in Emergency Housing where absolutely necessary (eligibility policy, obligations when in Emergency Housing and operational practice)
 - 43.3 ensure suitable Emergency Housing options with appropriate supports are available when needed (Transitional Housing or other supported housing options)
 - 43.4 ensure people in Emergency Housing are appropriately prioritised on the Register and receive appropriate support both while in emergency housing, and to transition into sustainable and secure housing, including supporting people in Emergency Housing to find and access alternative housing options¹⁶
- 44 increase the supply of permanent housing options (whether social housing or private rentals). Locally led place-based responses will be important in responding to the specific factors in each location and have already been effective in key locations including Hastings, s 9(2)(f)(iv)


Implementation



- 45 MSD will implement Priority One using a manual system. This is the fastest approach to implement and will mean Priority One can operate from mid-March 2024, if the Priority One fast track is delivered alone. Officials will provide us further advice on possible changes to the Emergency Housing eligibility criteria to support delivery of the Priority one fast track.
- 46 For comparison, if Priority One was implemented using an automated system, it would take nine to 12 months to implement, s 9(2)(f)(iv)

Given the larger cohort for this policy MSD advise that manual workaround processes carry a high risk of missing eligible families.
- 47 We recommend that further decisions (in line with this paper) on the policy settings for Priority One are delegated to the Minister of Housing and Minister for Social Development and Employment. This will allow us to consider advice

from officials on tightening the eligibility settings for the Emergency Housing Special Needs Grants and Contracted Emergency Housing, alongside the Priority One fast track and any impacts on the timeline for delivery.

s 9(2)(h)



- 50 HUD and MSD will report back to us 12 months after implementation of the Priority One fast track, including possible changes to policy settings 
s 9(2)(h) .

Cost-of-living Implications

- 51 The proposal has minor cost-of-living implications for the target group, in that stable social housing supports households to manage their costs.

Financial Implications

- 52 There are no financial implications associated with this proposal¹⁸, based on MSD implementing this policy through manual processes.



Legislative Implications




- 53 There are no legislative implications.

Impact Analysis

Regulatory Impact Statement

- 54 The Regulatory Impact Statement requirement does not apply.

¹⁷ s 9(2)(h) 


¹⁸ s 9(2)(h) 



Climate Implications of Policy Assessment

55 A Climate Implications of Policy Assessment requirement does not apply.

Population Implications

Population group	Implication of the proposal
Māori	Māori are overrepresented in Emergency Housing, making up 60 percent of the client base. This proposal aims to help whānau into more suitable and stable homes and could lead to more equitable outcomes
Pacific Peoples	Pacific peoples make up 15 percent of Emergency Housing clients. There are a higher proportion of multigenerational Pacific families and when this is reflected in the Housing Register, can lead to longer wait time for suitable housing. Other programmes are seeking to increase housing supply that is suitable for Pacific families and communities.
Children and Young people	Children and young people are disproportionately affected by housing stress. Almost half of the people living in Emergency Housing are children. Stable and adequate housing in the first 1,000 days of a child's life can have positive impacts on developmental outcomes. Access to stable and adequate housing is important for the health and wellbeing of children and young people and is likely to be associated with better education and health outcomes.
Women	Approximately 46 percent of households in Emergency Housing are sole parent households. Given that around 83 percent of sole parents in New Zealand are women ¹⁹ , we consider this proposal will have a positive impact on women who are sole parents and caregivers living in Emergency Housing.
Rural communities	Rural communities and regional centres have small numbers of families in long-term Emergency Housing. Such regions often have low supply of social housing and limited support services to assist families and may need bespoke approaches to find and sustain stable housing.
Disabled people	The policy may work against interests and opportunities for disabled people on the Register, as unless they are otherwise eligible for Priority One, they will be relatively de-prioritised. Disabled people are already at significant disadvantage for social housing, due to low supply of accessible/adapted housing suitable for their needs.

Human Rights

56 MSD can consider a range of criteria when operating the Register, even when the effect is that people are treated differently on the basis of those criteria.²⁰ This section does not override the New Zealand Bill of Rights Act 1990 (BORA).

57 s 9(2)(g)(i)

¹⁹ Stats NZ

²⁰ Public and Community Housing Management Act 1992, s 129.

²¹ s 9(2)(g)(i)

²²

s 9(2)(g)(i)

Use of external resources

- 58 No external resources were used throughout the policy development process for this proposal. We do not expect that external resources will be needed during future work.

Consultation

- 59 Kāinga Ora Homes and Communities and Oranga Tamariki contributed advice and content to this paper.
- 60 [Currently consulting with Treasury, TPK, MPP, Women, Te Whatu Ora, Whaikaha, MPI, MoJ, DPMC inform]

Communications

- 61 The decisions in this paper will be announced [TBC], prior to the implementation of the fast track in March 2024.

Proactive Release

- 62 HUD and MSD will publish this paper on their websites, with the legally privileged sections redacted and subject to redactions as appropriate and consistent with the Official Information Act 1982. This will be done within 30 business days of final decisions being made by Cabinet and policy announcements.

Recommendations

The Minister of Housing and Minister for Social Development and Employment recommend that the committee:

- 1 **Note** that this proposal seeks agreement to the key parameters to implement the 100-day plan commitment to 'establish a priority one category on the social housing waitlist to move families out of Emergency Housing into permanent homes more quickly.'
- 2 **Agree** to establish a Priority One fast track within the Social Housing Register that prioritises eligible families in Emergency Housing.
- 3 s 9(2)(h)
- 4 **Agree** that the eligible families are those that:

- 4.1 have children that meet the definition of “dependent child” used in Schedule 2 of the Social Security Act 2018, which includes those under 18, as well as 18-year-old children still at school covered by section 103 of the Social Security Act 2018
- 4.2 have lived in Emergency Housing (commercial accommodation paid for by the EH SNG) or a Contracted Emergency Housing motel for 12 consecutive weeks, including breaks of no more than 28 days, or
- 4.3 at MSD’s discretion (using exceptional circumstances), have lived in Emergency Housing for a cumulative 12 weeks across multiple stays.
- 5 s 9(2)(f)(iv)
- 6 **Agree** that the Oranga Tamariki and Rheumatic Fever fast tracks will have higher priority.
- 7 **Authorise** the Minister of Housing and Minister for Social Development and Employment to have Power to Act to take decisions on policy and operational decisions required to establish the Priority One fast track, in line with the decisions in this paper.
- 8 s 9(2)(f)(iv)
- 9 s 9(2)(f)(iv)
- 10 **Note** that, to meet a mid-March 2024 deadline, MSD will implement Priority One as a manual process within the Social Housing Register, which carries a risk that some people may be missed.

(Put authorised for lodgement when approved)

Hon Chris Bishop
Minister of Housing

Hon Louise Upston
Minister for Social Development and Employment

Annex A: Types of emergency and government supported rental housing

	EMERGENCY HOUSING (EH SNGs)	TRANSITIONAL HOUSING (TH) ²³	SOCIAL HOUSING (IRRS-funded)
Description	A grant provided for short term emergency accommodation.	Temporary accommodation with wrap around support provided by Transitional Housing Providers (THP).	Rental accommodation provided by Kāinga Ora and Community Housing Providers under the Public and Community Housing Management Act where government pays a portion of the rent.
Type of accommodation	Mostly motels or other commercial accommodation e.g., campgrounds, cabins.	Various houses/townhouses/apartments but in some circumstances includes contracted motels.	Houses/townhouses/apartments.
Support Services	Limited support but MSD navigators, ready to rent and housing brokers are available to households to prepare and support them to move to permanent accommodation.	Support services provided by THPs to help clients into longer term housing and address underlying drivers of housing need. Support available for 12 weeks while in TH and 12 weeks following placement into permanent housing.	Services through Sustaining Tenancies, Housing First and Rapid Rehousing are available in limited circumstances. Transition to Alternative Housing Grant provides support for moving from social to private rental.
Numbers of places	2,976 households (on 31 December 2023).	6,105 places ²⁴ (as at 31 October 2023).	80,211 places (as at 31 October 2023).
Cost per place	\$1,932 per place per week (as at 31 December 2023).	Average annual cost of \$50,000 per place including services.	New build places are funded at an average annual cost of \$60,000.
Intended length	Short-term - funds up to 21 days accommodation.	Medium term - 12 weeks accommodation for standard TH.	Long-term.
Government Funding	Actual spend of \$345m in FY22/23.	Actual spend of \$320m in FY22/23 – forecast \$433m in FY23/24.	Actual spend of \$1,379m in FY22/23 – forecast \$1,561m in FY 23/24.
Client contribution	About 25% of income after 7 days.	Up to 25% of income.	Income-related rent - assessment of 25% of their income.

OVERVIEW OF MOTELS FOR EMERGENCY AND TRANSITIONAL HOUSING

Motels used by EH SNG clients (~3,000 households)

- New EH SNG supplier standards recently introduced focus on safety, suitability, and the service provided to EH SNG clients. Emergency housing providers who opt in are given priority. While MSD set the standards, the agency is not a regulator in this space, and providers can choose to opt-in.
- Support services available include MSD funded navigators, Integrated Services Case Managers, ready to rent courses, flexible funding and housing brokers to prepare and support people to move to permanent accommodation. Funding for these services expires in June 2024.
- Motel units tend to be mixed use with private motel users.

Contracted motels (~1,400 places)

- These are 11 Contracted Emergency Housing motels in Rotorua (CEH), 20 COVID motels²⁵, and 51 TH motels.
- Contracting motels allows HUD to better manage motel standards and costs. There are active plans to decrease use of these motels.
- Tailored support services, provided alongside the accommodation, help households into longer term housing and address underlying drivers of housing need.
- Units in the motels are usually contracted by HUD for exclusive use, which means that mixing of different client groups can be avoided where it may raise safety concerns, and the provision of social supports can be facilitated.

Type of motel	Costs including supports (per place, per week)	Numbers (Dec 2023)
EH SNG	\$1,932	3,183
CEH	\$1,790 - \$2,200	159
COVID motels	\$1,600 - \$1,900	387
TH Motels	\$1,250 - \$1,600	779

²³ As well as regular Transitional housing (TH) there are 183 TH places specifically for Youth which has different costs and support services. Motels are not used for Youth TH.

²⁴ One household could have more than one motel place.

²⁵ During the initial COVID lockdown in 2020 these motels were contracted so that housing providers could support people into accommodation. These were people sleeping rough or in unsuitable accommodation. These motels have been maintained to prevent a previously hard to reach population from returning to homelessness.

Annex B: Overview of the Emergency Housing System – pathway and challenges

