



**Te Tūāpapa Kura Kāinga**  
Ministry of Housing and Urban Development



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

## REVISED CABINET PAPER AND SUPPORTING MATERIAL: INITIAL STEPS TO END THE LARGE- SCALE USE OF EMERGENCY HOUSING

<b>Date</b>	5 March 2024	<b>Priority</b>	Medium
<b>Tracking number</b>	HUD2024-003988, REP/24/3/188		

### INFORMATION FOR MINISTER(S)

Hon Chris Bishop <b>Minister of Housing</b>	<b>Note</b> the contents of the following aide-memoire.
Hon Louise Upston <b>Minister for Social Development and Employment</b>	<b>Note</b> the contents of the following aide-memoire.
Hon Tama Potaka <b>Associate Minister of Housing (Social Housing)</b>	<b>Note</b> the contents of the following aide-memoire.

### CONTACT FOR DISCUSSION

Name	Position	Telephone	1st contact
Hayley Hamilton	General Manager, Housing, Employment, and Climate Change, MSD	s 9(2)(a)	✓
Julia Pearce	Manager, Housing Access and Support, HUD	s 9(2)(a)	<input type="checkbox"/>

### OTHER AGENCIES CONSULTED

No other agencies were consulted on this paper.

### MINISTER'S OFFICE TO COMPLETE

<ul style="list-style-type: none"> <li>o Noted</li> <li>o Seen</li> <li>o See Minister's notes</li> <li>o Needs change</li> <li>o Overtaken by events</li> <li>o Declined</li> <li>o Referred to (specify) _____</li> </ul>	Comments
---	----------



**Te Tūāpapa Kura Kāinga**  
Ministry of Housing and Urban Development



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

## REVISED CABINET PAPER AND SUPPORTING MATERIAL: INITIAL STEPS TO END THE LARGE- SCALE USE OF EMERGENCY HOUSING

<b>Minister</b>	Hon Chris Bishop, Minister of Housing Hon Louise Upston, Minister for Social Development and Employment Hon Tama Potaka, Associate Minister of Housing (Social Housing)		
<b>Date</b>	5 March 2024	<b>Priority</b>	Medium
<b>Tracking number</b>	HUD2024-003988, REP/24/3/188		

### Purpose

- To provide talking points on the revised Cabinet paper *Initial steps to end the large-scale use of Emergency Housing* which will be considered at the Cabinet Social Outcomes Committee (SOU) on 6 March 2024.

### Background

- Following Cabinet's consideration of the paper on 4 March, you agreed at a meeting of Housing Ministers to revise the Cabinet paper to reflect the following changes:
  - implement a social housing fast track for eligible families (Priority One) in April 2024
  - signal that there will be increased consideration to an emergency housing applicant's circumstances at the time of application. This will require some additional guidance to MSD staff about operational practice changes.
  - reinforce the approach through changes to policy settings and legislation in late August, which will include strengthening verification processes, reviewing eligibility settings, limiting discretion, adding new client requirements to existing requirements while in emergency housing and replacing the default option of recoverable grants with the consequence of a decline and stand-down period when requirements have not been met.
- The Cabinet paper has been revised accordingly and is attached as Annex A. The talking points in Annex B include a summary of the proposal, which includes information on establishing a Priority One fast track on the Housing Register.

### Next Steps

- The revised Cabinet paper will be considered at SOU on 6 March 2024, with Power to Act.



**Te Tūāpapa Kura Kāinga**  
Ministry of Housing and Urban Development



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

5. Decisions on the Priority One fast track will be announced after SOU decisions have been made. This announcement will also signal that to ensure EH is targeted to those who need support the most, there will be increased consideration of an applicant's circumstance at the time of application.
6. You have also indicated that you will announce your intention to make legislative changes to the EH gateway. Further communications on implementation are to be confirmed following Cabinet's agreement to this policy.

## **Annexes**

Annex A: revised Cabinet paper - Initial steps to end the large-scale use of Emergency Housing

Withheld in full under s(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 members of an organisation or officers and employees of any public service agency or organisation in the course of their duty.

Annex B: suggested talking points for SOU on 6 March 2024.

Annex C: Questions and Answers

## Annex B: Suggested talking points for SOU on 6 March 2024

### Context

- Too many people are relying on Emergency Housing for too long and this is not an appropriate place for children to be growing up. We want to reduce the number of children in motels – the end goal is no children living in emergency housing.
- Our Government has committed to end the large-scale use of Emergency Housing and the changes we are agreeing today are the first step in achieving this.
- From 2020 the rise in EH-SNGs was largely driven by the effects of COVID-19. COVID-19 level four lockdowns in March 2020 and August 2021. This saw more clients accessing EH-SNGs as the Government made active efforts to urgently accommodate people sleeping rough or in vulnerable accommodation during the pandemic.
- From the peak during the COVID-19 response in December 2021 through to January 2024, the monthly number of households in emergency housing at the end of the month has decreased by 41%<sup>1</sup>.
- To contribute to the decrease in the use of emergency housing since COVID-19, MSD has relied heavily on its emergency housing case managers, support services and programmes for those receiving an EH grant. These provide a range of services intended to prevent people from needing emergency housing, support people while in emergency housing and support people to exit emergency housing. Additionally, to support staff to make clear decisions around emergency housing, an obligations fact sheet and resolution framework for granting EH SNGs was introduced. MSD is also strengthening the obligations expectations.
- While the number of Emergency Housing Special Needs Grants, or EH-SNGs, has reduced since the peak in November 2021, there are still high numbers and people are staying longer than intended, some for many months.
- At the end of December 2023:
  - There were 2,976 households receiving EH-SNGs. This includes 1,512 families and a total of 3,186 children.
  - 145 families with children have received EH-SNGs for between 12 and 24 months. A further 50 families with children have received the grant for over two years.
- There were a further 163 households in contracted Emergency Housing motels in Rotorua, including 252 children.
- During 2022/2023, \$345 million was spent on EH-SNGs.

---

<sup>1</sup> Note this is for end of month reporting – if we took the numbers over the whole month rather than a point in time number, the % change could vary.

- High demand for EH-SNGs has been driven by a combination of structural and system issues and by individual stressors faced by individuals and families. A key part of this is failures in the housing and urban system to deliver enough housing.

**Summary of proposed changes**

- We are proposing several initial steps to achieve our aim of ending the large-scale use of Emergency Housing. The end goal is for no children to be living in Emergency Housing.
- While it will take a sustained and co-ordinated effort over multiple years to achieve this aim, the steps we agree now will help ensure that families with children are housed quicker and that improvements are made to the Emergency Housing system.
- Consistent with our 100-day plan commitment, we seek agreement to establish a Priority One fast track for the Social Allocation System. This will ensure that families with children who have been in Emergency Housing for extended periods are prioritised on the Housing Register for access to social housing.
- Alongside the fast track, we are seeking your agreement to take steps to tighten the gateway to EH and mitigate the risk that the fast track could create perverse incentives for people to enter, return to, or stay longer in EH. For example, it may mean that people may not pursue a suitable private rental or may decline Transitional Housing.
- s 9(2)(h) [Redacted]
- We are proposing to manage this risk by using a two-stage approach.
- In the short term we will signal our expectation that EH is targeted to those with genuine need and that there will be increased consideration of an applicant's circumstances at the time of application.
- This will include greater scrutiny of whether an applicant has unreasonably contributed to their immediate emergency housing need, whether they have taken reasonable efforts to access other housing options, and whether they have previously paid their emergency housing contribution.
- s 9(2)(f)(iv) [Redacted]
- While officials have advised the fast track by itself will have limited impact, the fast track and changes to the EH gateway are just the beginning of our work to achieve our aim of ending large scale use of EH.
- We have also set out additional complementary activities we will take and have committed to report back to Cabinet by July with a broader approach to end large scale use of motels.

### *Implementation*

- The fast track will be implemented by April 2024.
- s 9(2)(f)(iv)
- We are seeking agreement that joint Ministers have delegated authority to make further decisions on any outstanding policy settings for Priority One and tightening the Emergency Housing gateway outlined in this paper.

### **Priority One fast track key points**

- This policy responds to our 100-day plan commitment to ‘establish a priority one category on the social housing waitlist.’
- We are seeking agreement to the establishment and key parameters of the Priority One fast track. The key parameters are:
  - a. emergency Housing is initially limited to EH-SNG clients in motels and those in Rotorua Contracted Emergency Housing
  - b. families are defined as those with at least one dependent child, including sole parents
  - c. families will need to have been in motels receiving an EH-SNGs or living in Contracted EH for 12 consecutive weeks or more, or those in exceptional circumstances who have lived in Emergency Housing for 12 weeks or more across multiple stays.
- Establishment of this fast track will mean that around 800 eligible families would be fast tracked for the next available social housing place that meets their needs.

### **Tightening the Emergency Housing gateway key points**

- In addition to implementing the fast track, we will be making policy and legislative changes to tighten the Emergency Housing gateway and ensure that EH-SNGs are only provided to those people with a genuine need and who have met their obligations.
- Options that will be considered include:
  - a. introducing verification measures, reducing discretion and reviewing currently broad eligibility settings including consideration of aligning income and asset thresholds for access to emergency housing grants with other Special Need Grants, to reinforce the increased focus at the initial assessment of the applicant’s housing circumstance
  - b. adding new responsibilities when accessing an EH-SNG and having clear consequences for not meeting these responsibilities, and
  - c. removing the recoverability of EH-SNGs and providing staff a clearer mandate to decline grants where clients have unreasonably contributed to their housing need and/or have not met their responsibilities
- The work to tighten up access to Emergency Housing is not exempt from Regulatory Impact Analysis requirements. Relevant teams at the Treasury, HUD, and MSD have agreed that analysis will be provided alongside the July 2024 advice to Cabinet.

**Additional actions to help end the large-scale use of Emergency Housing key points**

- In addition to creating a Priority One fast track and tightening the Emergency Housing gateway, we have asked officials to provide advice on a broader approach to achieve the aim of ending the large scale use of Emergency Housing. It will be framed around a social investment approach. These include:
  - a. exploring options to ensure continued availability of supports preventing need for Emergency Housing and to support sustained exits
  - b. ensuring that allocation and placement practices for social housing align with the priority that we are giving to eligible families
  - c. maximising appropriate supply options available as alternatives to, and pathways out of, motels. For example, continuing delivery of social housing to June 2025 will add over 6,000 social housing places
  - d. taking an innovative approach to funding and financing social and Emergency Housing, for example through the use of Social Impact Bonds
  - e. developing an overarching evidence-based framework around use of EH to guide further decision-making
- s 9(2)(f)(iv) [REDACTED]  
[REDACTED]  
[REDACTED]

## Annex C: Questions and Answers

### **Q: How much impact will the fast track have? How many people will it help?**

A: Most families in Emergency Housing already have high housing register priority. Fast tracking will help housing providers to work with MSD to identify families in Emergency Housing ahead of others on the register. But other actions need to be taken to scale down Emergency Housing along with Priority One.

Based on the current parameters, approximately 800 families will be eligible for the Priority One category from April. This number will likely fluctuate as people enter and exit Emergency Housing.

### **Q: How long will it take to get people off the Priority One fast track and into stable accommodation?**

A: Placement of families into homes after they have been prioritised depends on a variety of factors, such as the needs of those being placed and availability of social homes in the region.

### **Q: Won't tightening access to Emergency Housing lead to more people on the streets or in cars?**

A: The purpose of this change is to prioritise people on the Register and to get families with children into more suitable housing as quickly as possible. In isolation, it will not solve the problem which is why we are working on additional measures to support our aim of ending the large-scale use of motels for Emergency Housing.

### **Q: Would it not be easier to use an automated system to implement the fast track?**

A: An automated system would take nine to 12 months to set up, s 9(2)(f)(iv)

### **Q: Does this effectively say to people you need to have children to get social housing (faster)?**

A: No. The purpose of this fast track is to ensure that eligible families with children are housed as quickly and sustainably as possible. Future actions will more effectively help other groups, such as single people, out of Emergency Housing. Families are also housed in different types and sizes of social housing than single people or couples.

### **Q: Why aren't people in Transitional housing included?**

A: At this stage, Transitional Housing has not been included in the fast track as we have focused on those with an urgent housing need. Most people in Transitional Housing are in houses or apartments with full facilities, though some are in contracted motels, and have access to wrap-around support services. s 9(2)(f)(iv)

### **Q: Why only families with children in Emergency Housing for 12 weeks or more? Why not sooner?**

A: The policy focuses on families with children because we want to move children into stable accommodation sooner, so that other parts of their lives can also stabilise – for example, where they go to school, living in a healthier house and community environment. We are

starting with eligibility at 12 weeks to target the families that remain in Emergency Housing for an extended period. We also do not want this to be seen as a short cut to social housing.

s 9(2)(f)(iv)



**Q: Can people be moved on from Kāinga Ora where they no longer have high need, to free this up for families who need it?**

A: MSD is reinstating tenancy reviews from 25 March. This will help identify tenants who are no longer eligible and free up social housing places for those most in need.

**Q: Could private landlords be encouraged to play more of a role in housing families – could this be somehow incentivised?**

A: We have asked officials to look at options to incentivise different housing providers, including those in the private market, to house priority groups from Emergency Housing.

**Q: How can Kāinga Ora and Community Housing Providers help with decreasing the use of Emergency Housing?**

A: Kāinga Ora and Community Housing Providers have two main roles in this work – placement practices and the provision of new social houses. While more social housing supply will help, especially in priority areas, we also need to focus on housing families in existing supply. The housing register has grown far faster than social housing supply plans and funding.

s 9(2)(f)(iv)

