

## In Confidence

Office of the Minister of Housing

Office of the Associate Minister for Social Development and Employment

Cabinet Social Wellbeing Committee

## Update on progress with implementing the reset and redesign of the emergency housing system

### Proposal

- 1 This paper seeks Cabinet's approval to fund immediate place-based emergency housing opportunities and accelerate a second tranche of Māori-led solutions, through part of the Emergency Housing – progressing work on system changes Tagged Operating Contingency.<sup>1</sup> This paper also takes the opportunity to update Cabinet on progress with other actions.

### Relation to government priorities

- 2 These additional proposals support the common goal set out in the Cooperation Agreement between the Labour and Green parties to improve child wellbeing and marginalised communities through action on homelessness, warmer homes, and child and youth mental health.

### Executive Summary

- 3 On 12 December 2022, Cabinet agreed to improvements to the emergency housing system – the Emergency Housing Reset and Redesign Work Programme (the Programme) – providing a pathway to achieving the Government's long-term vision for emergency housing, with 10 actions over the next 12-18 months.
- 4 HUD is moving at pace to support iwi and Māori housing providers to respond to immediate housing needs and reduce overrepresentation of Māori amongst EH SNG recipients. Through the Māori and Iwi Housing Innovation framework for action (MAIHI), we seek additional investment of \$62.324 million into permanent housing solutions that would move whānau from the emergency housing system, in Te Tai Tokerau, Te Tairāwhiti and other priority regions where we are seeing high Māori housing deprivation.
- 5 HUD is also taking the time necessary to develop place-based approaches for Hamilton City and Wellington metropolitan areas, in partnership with iwi and Māori organisations, local government and housing providers. Meanwhile, HUD has identified potential opportunities to support whānau in emergency housing that we

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<sup>1</sup> The Government-funded elements of the emergency housing system include the Emergency Housing Special Needs Grant (EH SNG), transitional housing, and other related forms of emergency housing (as in Rotorua and motels used in the COVID-19 response).

can move on now. We seek approval to draw down \$15.000 million to fund these opportunities.

- 6 Finally, MSD and HUD, with other agencies, are largely on track to deliver on the remaining actions. However, as there are key inter-dependencies and inter-connections between some MSD-led actions, particularly Actions 2 and 3, we advise that these actions will be slightly delayed, so they are sequenced appropriately, with key deliverables due from August 2023.

## Background

- 7 On 27 July 2022, the Cabinet Social Wellbeing Committee agreed to an ideal future state where emergency accommodation is rarely needed and, when it is used, stays are brief and non-recurring, and people are supported to quickly move into suitable, long-term housing. It was noted that shifting to the ideal state would take time and relied on significant additional investment in public and affordable rental housing. [SWC-22-MIN-0134 refers]
- 8 On 12 December 2022, Cabinet agreed to the Programme, providing a pathway to achieving the Government's long-term vision for emergency housing, with 10 actions over the next 12-18 months. At the same meeting, Cabinet also agreed to:
  - 8.1 invest, as part of Action 7, in by Māori, for Māori initiatives to reduce demand on, or provide alternatives to, emergency housing for Māori in areas where there are high levels of housing deprivation amongst Māori, but currently few suitable options; and
  - 8.2 direct HUD to seek approval from Cabinet by 28 February 2023 for a final drawdown of the tagged contingency for by Māori, for Māori initiatives to reduce demand on, or provide alternatives to, emergency housing for Māori in areas where there are high levels of housing deprivation amongst Māori, but current few suitable options (as part of Action 7).
- 9 This paper fulfils this direction by seeking approval from Cabinet for a final drawdown of the tagged contingency for Māori-led solutions (as part of Action 7).
- 10 This paper then acknowledges that, while HUD continues to develop regional delivery plans with place-based partners, as part of Action 6, there are potential opportunities that HUD has identified that could make an immediate difference for whānau in emergency housing. This paper seeks an initial drawdown of the tagged contingency to fund these opportunities.
- 11 Finally, this paper takes the opportunity to update Cabinet on MSD-led actions (Actions 1-5, 8-9) and cross-agency actions (Action 10) that were also agreed to by Cabinet.
- 12 We intend to provide a more comprehensive update on the progress being made by agencies across the Programme in mid-2023. We will take the opportunity then to seek Cabinet agreement to:
  - 12.1 The final place-based approaches we intend to take, in Hamilton City and Wellington metropolitan areas (as part of Actions 6 and 10); and

- 12.2 A further drawdown of \$155.000 million of the tagged contingency to implement the place-based approaches, investing in additional opportunities, in Hamilton City and Wellington metropolitan areas (as part of Action 6).

*Changing context as the impacts of recent extreme weather events continue to be assessed*

- 13 The devastation we have seen as a result of the Auckland Anniversary flooding and Cyclone Gabrielle events across the North Island has required iwi and Māori organisations, local government, and providers to focus their attention on the impacts on their communities. We recognise that, as a result, many of our partners may not have sufficient capacity to engage in the reset and redesign of the emergency housing system, at this time, and we have asked agencies to be considerate of the demands that engagement may have on the capacity of their partners and stakeholders.
- 14 As agencies have also pivoted resources and programmes to support partners and stakeholders, as they lead the response in their communities, we anticipate there will be further impacts on their progress. Agencies are taking steps to find efficiencies, where possible – for example, leveraging existing governance and decision-making channels, stacking deliverables to be developed in parallel, and standing-up a dedicated inter-agency project team to coordinate engagement – to mitigate the impacts on implementation. We will continue to monitor their progress and, through our comprehensive report to you in mid-2023, we will advise you of any changes to the Programme.
- 15 The proposals in this paper are designed to respond to existing demand for emergency housing. Proposals to support housing need that has arisen as a result of recent extreme weather events shall be managed, separately.

**Action 7: Investing in place-based approaches for Te Tai Tokerau and Te Tairāwhiti and Māori housing solutions in other priority areas**

- 16 HUD is moving at pace to support iwi and Māori housing providers to respond to immediate housing needs and reduce the overrepresentation of Māori amongst EH SNG recipients. MAIHI Ka Ora sets out how the Government and Māori will work together, in partnership, to achieve better outcomes. Additional investment through MAIHI forms a critical part of our implementation of MAIHI Ka Ora.
- 17 MAIHI drives a whole of system approach to our immediate, medium, and long-term responses to Māori housing need. At the heart of MAIHI is the attention to the problem that is facing Aotearoa New Zealand and highlights the inequity for Māori in housing. While MAIHI tackles big system issues, it is also designed to be flexible and to enable innovation that supports local differences and makes collective impact.
- 18 The only appropriate response to reducing demand by Māori for emergency accommodation is through increasing the supply of Māori-led housing solutions that places te mauri o te whānau – the wellbeing of the whānau – at the centre. Through existing Māori housing programmes, we have demonstrated our commitment to this. For example, through Whai Kāinga Whai Oranga, we have recently approved or contracted the delivery of 1000 affordable homes for whānau Māori.

- 19 While we have made in-roads to address the housing disparities that exist for Māori, through MAIHI and Whai Kāinga Whai Oranga, the funding we have is over-committed and has not yet achieved the scale required to address the disparity in housing supply between Māori and non-Māori. Where our partners do not have access to the capital required for new build developments, particularly if they lack the equity or asset base for bank lending, it can be difficult to deliver housing in some priority regions without upfront capital funding. Without additional investment through MAIHI, HUD would be unable to provide the support necessary to reduce demand on, or provide alternatives to, EH SNG accommodation.
- 20 Never before has our response to housing need been so necessary, than now, and in light of recent significant and calamitous weather events the issues we are facing in many Māori communities has been further exacerbated. The devastation we are seeing across the country, particularly in Te Tairāwhiti and Te Tai Tokerau, demand that we move quickly to support Māori-led solutions and place-based approaches. The impacts on whānau have intensified Māori housing need where we are seeing stronger demand for immediate relief in housing outcomes. Our response to address these disparities have compounded and we must catalyse immediate housing relief for whānau who need support now.
- 21 We seek investment of \$62.324 million in a range of initiatives that would move whānau from the emergency housing system into permanent housing solutions, including:
- 21.1 Enabling long-term affordable housing through joint venture arrangements, where considerable supply can be bought on quickly to deliver for whānau who need them most;
  - 21.2 Supporting projects where immediate delivery would be unlocked, through the provision of enabling capital to support Māori led supply solutions and the provision of catalyst funding to unlock development;
  - 21.3 Accelerating projects through elevating and bringing forward iwi, Māori and local government decision-making.
- 22 Through MAIHI, we would allocate this investment, subject to the necessary due diligence being undertaken, as follows:
- 22.1 \$30.000 million, with a focus on opportunities in Te Tai Tokerau, ws 9(2)(j)

s 9(2)(j)

- 22.2 \$15.000 million, with a focus on place-based approaches in Te Tairāwhiti, s 9(2)(j)

- 22.3 \$17.324 million for Māori housing solutions, in other priority regions, including the Bay of Plenty, s 9(2)(j)

s 9(2)(j)

- 23 s 9(2)(j)

HUD

will leverage its existing processes under MAIHI, including governance through the MAIHI Partnerships Programme, to ensure investment in Māori-led housing solutions is well-aligned to our objectives for Māori housing. Additional investment is required now to ensure HUD can proceed with due diligence and contract negotiations. We have established these opportunities through intensive place-based engagement and, without this funding, we would not be able to proceed.

- 24 While we have seen minimal impact on HUD's Māori housing pipeline, we anticipate that the development economics for new supply will prove challenging, particularly in Te Tai Tokerau and Te Tairāwhiti. As the demand for labour and materials strengthens, and demand for housing by displaced residents and rebuild workers places upward pressure on contracted supply, we anticipate the rebuild will accelerate increases in costs for materials and labour, and in rents. Without scaling up investment in affordable housing supply in these regions, we will likely see whānau pushed into greater housing deprivation. The case for additional funding, through MAIHI, has never been stronger.

### **Action 6: Developing regional delivery plans to support alternatives to EH SNG accommodation in Hamilton City and the Wellington metropolitan areas**

- 25 HUD is making good progress with the development of regional delivery plans. These plans will be developed in partnership with iwi, and Māori organisations, local government, and housing providers, and will identify the specific place-based approaches required for Hamilton City and Wellington metropolitan areas, as part of Action 6.
- 26 Partnering with iwi, and Māori organisations, local government, and housing providers is critical to our success. We know from experience with taking a place-based approach to emergency housing in Rotorua that, to be successful in what we achieve in Hamilton City and Wellington metropolitan areas, we must understand the

challenges, needs and aspirations of those within each place and deliver tailored solutions that respond to these.

- 27 Work delivered through Action 6 will also galvanise broader system change, from which we anticipate whānau across Aotearoa New Zealand will benefit. What we learn from the place-based approaches to emergency housing in Hamilton City and Wellington metropolitan areas will inform the broader Emergency Housing Reset and Redesign Work Programme, with our approach to this work strongly influenced by what was learned through the experience of contracting emergency housing in Rotorua.

*Our approach to developing regional delivery plans is based on what we have learnt from the Implementation Unit's review of the Rotorua approach*

- 28 In June 2021, Cabinet approved work to reset the emergency housing system in Rotorua on a pilot basis [CBC-21-MIN-0061 refers]. Rotorua continues to see a high rate of housing deprivation, high use of EH SNGs and low availability of rental properties. The Rotorua approach was intended to improve the experience of emergency housing for clients, while public and affordable housing solutions were developed in the medium term.
- 29 In March 2021, the Implementation Unit of the Deputy Prime Minister and Cabinet (DPMC) prepared a report on lessons learned from the Rotorua pilot. The findings have shaped how agencies are approaching the development of regional delivery plans. For example, DPMC recommended that:
- 29.1 agency roles, responsibilities, policy and legislative settings are clearly defined before commencement;
  - 29.2 the design of a monitoring and evaluation framework that includes appropriate data collection and data-sharing mechanisms is prioritised; and
  - 29.3 iwi are included as part of solution, design and implementation phases.
- 30 It is these outcomes that are informing how agencies are working with each other, as well as with place-based partners.

*We have a clear pathway forward for partnering in Hamilton City and Wellington metropolitan areas as we continue to develop regional delivery plans*

- 31 HUD has commenced meetings with regional partners and mana whenua to build an early understanding of what we are seeking to achieve through the Programme. These meetings have been an opportunity to provide an overview of the Programme, have a conversation focussed on needs of the respective regions, listen to high level insights, share delivery pipeline information, identify possible solutions, identify solutions, and explore opportunities to collaborate on this work.
- 32 This early engagement has also begun to point to what specific interventions could be investigated further with our partners through the development of the regional delivery plans.

- 33 The value of taking a place-based approach is evident as we look at the different contexts Hamilton City and the Wellington metropolitan areas present.
- 34 In Hamilton, EH SNG usage continued to increase, quarter-on-quarter, during 2022. The latest quarterly data (December 2022) shows that:
- 34.1 Singles with children and couples with children make up about 45 percent of all household types receiving EH SNGs;
  - 34.2 People who identify as Māori make up the largest ethnic group of EH SNG primary applicants (62%);
  - 34.3 Both younger people and older people present as statistically significant cohort groups that will have their own needs and aspirations.
- 35 In Wellington, we are seeing relatively similar situations across the four relevant territorial local authorities (TLAs), Wellington City, Lower Hutt City, Upper Hutt City, and Porirua City:
- 35.1 Singles make up the most significant proportion of all household type across all four TLAs – December quarterly data shows that singles without children make up roughly three-quarters of all households receiving EH SNGs;
  - 35.2 Duration of stay is also another significant issue in Wellington, with about 50 percent of those in EH SNG accommodation as at 31 December 2022 having been there for six months or more, which could be indicative of complexities.
- 36 HUD will complete in-depth engagement with partners over the next months on the specific place-based approaches that will form the content of the regional delivery plans. To ensure the right accountabilities are in place, from the outset and over time, these plans will:
- 36.1 bring our place-based partners together through a shared vision;
  - 36.2 establish an agreed set of outcomes and principles; and
  - 36.3 present an agreed set of actions and solutions, which will deliver supply and support solutions to improve the situation for people currently in emergency housing while longer term housing solutions are made available;
  - 36.4 show how deliverables will be sequenced and stacked, to run alongside each other where possible and map our interdependencies;
  - 36.5 include the approach to monitoring and evaluation for these place based approaches;
  - 36.6 set clear roles and responsibilities, including, for example, the lead government agency with the mandate to coordinate the Government response on the ground;
  - 36.7 highlight other cross-system actions and initiatives that will be delivering change over the medium and longer term, such as the Oranga Tamariki Action



Plan and the Supported Housing review, to ensure a clear line of sight to wider, interrelated strategies and work in progress.

- 37 While we acknowledge agencies had intended to be contracting by June 2023, the preparation and planning needed to realise the type of purposeful engagement needed here takes time, as does the engagement process itself. HUD will continue to put these building blocks in place, which will help to ensure that sufficient groundwork is completed, ready for immediate implementation once Cabinet considers our final report, in July 2023. The drawdown requested in this paper would allow for contracting processes to commence.

*There is potential to move more quickly on some immediate place-based opportunities while we continue to develop regional delivery plans*

- 38 Through early engagement, and what we know of the cohorts and demand in each location, HUD has been able to identify opportunities where we can start making a difference for whānau in emergency housing in Hamilton City and Wellington metropolitan areas through implementation-ready initiatives, while continuing to develop the place-based regional delivery plans.
- 39 We are seeking approval to draw down \$15.000 million of tagged contingency to fund immediate opportunities in Hamilton City and Wellington metropolitan areas. This would include funding opportunities to accelerate transitional housing supply in addition to current funding and programmes, as well as initiate other accommodation and service options. § 9(2)(j)
- 40 While these immediate term solutions will require further due diligence and investigation, we are confident that there is opportunity to make progress before the regional delivery plans are completed, particularly where we are able to use additional funding to accelerate or expand existing accommodation and services. While we see the regional delivery plans as where we formalise the place-based approaches as agreed with partners, we do not want to miss opportunities to potentially start making a difference in the immediate term.
- 41 It is not envisioned that this funding will be used for contracting motels, and we recommend against the purchasing of motels as a potential solution here. Any motel-based response developed to provide alternative fit-for-purpose emergency accommodation would need to be done with our partners in the regions to ensure it was an appropriate approach to meet local need.
- 42 Transitional housing is a preferred option to other emergency housing as transitional housing properties are required (under contract) to be warm, safe and dry, and suitable for the people living there for several months. Support services provided in transitional housing also help address wellbeing and security needs.<sup>2</sup> In these regards, this presents as a better option for children, whānau and s. In addition, there is a focus on delivering new supply transitional housing through new builds, where feasible.

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<sup>2</sup> Households are also entitled to receive up to a further 12 weeks support once they have found a more permanent place to live, which is not available for whānau moving from EHSNG into more permanent housing.



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s 9(2)(j)

We are keen to explore such opportunities with developers, build partners, and providers further to identify what additional stock could be brought on to support whānau in need in the immediate term.

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Further opportunities, agencies have identified, that would build on existing programmes and use additional funding to increase delivery, include:

44.1 Increasing numbers and/or places in supported housing services as a potential means of addressing immediate demand e.g., Rapid Rehousing and Sustaining Tenancies;

44.2 Exploring youth transitional housing opportunities s 9(2)(j), given the significance of the youth cohort there; and

44.3 s 9(2)(j)

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As these initiatives would be building on what we already do, they would complement existing delivery and the planned transitional, public and affordable housing supply. We would be able to leverage and deepen existing relationships and business processes to immediate effect. While there is some funding available for existing initiatives, much of this has been, or is near to, being committed. Additional funding will allow us to increase delivery in these areas without impacting delivery in others.

## **Update on other actions to reset and redesign the emergency housing system**

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While we intend to provide you with a comprehensive update on agencies' progress with the Programme in mid-2023, we want to briefly appraise you of their progress on the remaining actions. Agencies are making good progress, overall. For example:

46.1 MSD is on track to implement a new assessment and referral pathway, as part of Action 1, with a tool now developed and being piloted in Waikato. MSD intends to roll out the tool, nationwide, by August 2023.

46.2 MSD is on track to give effect to new EH SNG supplier standards, as part of Action 5, from August 2023, pending changes to the Welfare Programme. This approach allows the time required to test changes to the supplier standards framework with frontline staff and providers to ensure they understand the information or if it needs to be improved.

46.3 MSD is on track to provide advice in mid-2023 on its progress with developing a new model for emergency housing support services, as part of Action 8, with its targeted engagement plan now in place.

- 46.4 MSD is on track to implement expanded support services in July 2023, as part of Action 9. These will enable ongoing support to clients receiving an EH SNG while further policy and operational design work is undertaken on the new model for support services, as part of Action 8.
- 47 However, some MSD-led actions require more time. This is particularly pertinent where key inter-dependencies and inter-connections have been identified by MSD across some of its actions. This has occurred in two instances:
- 47.1 As MSD has continued its work on Action 1 (assessment and referral pathway), it has found that it is appropriate to align this work with its delivery of guidance about the EH SNG, as part of Action 2. The benefits of this approach include delivering consistent information across EH SNG-related services to clients and, in turn, improving client experience when accessing EH SNG accommodation. We advise that Action 2 will be delivered from August 2023 (rather than early 2023) to align with interdependencies of work relating to Action 1.
- 47.2 As MSD has also continued its work on Action 5, it has found that it is appropriate to align this work with other mutual obligations-related actions, that is, Actions 3 and 4. This alignment ensures consistency of information across the EH SNG-related changes, including new information of the changes to clients, providers, EH SNG suppliers and MSD frontline staff. This approach also allows more time to test the supplier standards framework with frontline staff and providers to ensure they understand the information or whether it needs to be improved. To ensure alignment and consistency of information, we advise that the timeframe for delivering Action 3 is now August 2023 (rather than March 2023).
- 48 Finally, HUD and MSD continue to work with Manatū Hauora, Corrections and Oranga Tamariki to ensure cross-agency actions, as part of Action 10, respond to the issues being experienced in Hamilton City and Wellington metropolitan areas. The identification and design of actions will be informed by the engagement with place-based partners, as part of Action 6.

## Financial Implications

- 49 \$355.000 million was made available through Budget 2022 contingency funding to support improvements to the emergency housing system, of which \$247.324 million is left to draw down.
- 50 In this paper, we are seeking a drawdown of \$77.324 million to fund:
- 50.1 immediate opportunities to support whānau in emergency housing in Hamilton City and Wellington metropolitan areas: \$15.000 million for HUD;
- 50.2 initiatives that will reduce the demand on, or provide alternatives to, emergency housing for Māori: \$62.324 million for HUD.

51 We plan to draw down the remaining \$170.000 million by mid-2023 when regional delivery plans for Hamilton City and Wellington metropolitan areas are clear. The drawdown will be for two components:

51.1 Contracting supported housing and support services in Hamilton City and the Wellington metropolitan area: approximately \$155.000 million for HUD.

51.2 Cross-agency actions: approximately \$15.000 million .

### Legislative Implications

52 There are no legislative implications arising from the proposals in this paper.

### Population Implications

53 The impact of changes to the emergency housing system on key population groups are outlined below. Some New Zealanders are likely to be more impacted where these groups and associated disadvantage overlap.

Population group	How the proposals may affect this group
Māori	Māori are over-represented in all categories of homelessness, including emergency housing, and have low rates of home ownership making them particularly susceptible to rising rental prices. Māori make up 63 per cent of all households accessing EH SNGs. The cumulative effect of these disadvantages is felt in social, economic and health outcomes for whānau Māori across the motu. Some of the proposals in this paper are intended to improve emergency housing and support by-Māori-for-Māori local housing solutions as well as kaupapa Māori approaches to the delivery of housing services. However, the impact of these proposals are limited, given the severity of Māori overrepresentation as recipients of EH SNGs. Updating operational guidance, which includes clarifying messaging on what adequate alternative accommodation means in relation to eligibility for an EH SNG will likely disproportionately negatively impact whānau Māori.
Pacific people	Pacific peoples are disproportionately impacted by homelessness, including inter-generational living (almost 40 percent of Pacific peoples were living in a crowded home in 2018). Pacific peoples are overrepresented as recipients of EH SNGs. A lack of houses designed for large multi-generational households and severe housing unaffordability in the regions with higher populations of Pacific peoples, contribute to housing stress. Working with stakeholders to address urgent housing needs at the local level, coupled with efforts to increase the supply of affordable housing, will support improved housing outcomes for Pacific people. As Pacific families are more likely to seek support from families and friends, clarifying what adequate alternative accommodation means may place additional financial pressure on hosting households.
Ethnic communities	Investment is needed in houses that meet the diverse needs of different communities, are in the right locations (including access to cultural infrastructure), and at the right price points. This would benefit ethnic communities, who can struggle to access the housing market due to

	discrimination, and income inequalities. Working with stakeholders to address urgent housing needs at the local level, coupled with efforts to increase the supply of affordable housing, will support improved housing outcomes for Ethnic communities.
Women	Women are more likely to be the sole or primary caregiver of children and young people. Sole parents make up a high proportion of those in emergency accommodation and sharing accommodation temporarily. Women who leave an unsafe situation can struggle to access safe and affordable accommodation for themselves, their children, and other dependents. Proposals to improve the quality, safety, and security of emergency housing, coupled with appropriate social service supports, will enhance the wellbeing of women in emergency housing.
Children	Almost half of the people living in accommodation funded by an EH SNG are children. Ensuring nurturing and safe physical environments for children in their first 1000 days is particularly critical for healthy physical and emotional growth and reducing stress for parents and whānau. The knock-on effects of insecure housing and dislocation include impacts on early learning and school, and access to health services and a range of wider whānau and community supports. Proposals in this paper aim to enhance the quality and security of emergency accommodation for whānau with children and for young people. The additional transitional housing opportunities and cross-agency actions as part of the work agencies are doing on Actions 6 and 10, in particular, will support rangatahi Māori to transition from the care system into supported housing that ensures their housing needs are met. As such, we will see agencies identify, with place-based partners, options improve access to services that ensure their housing needs are met, in line with Action 6 of the Oranga Tamariki Action Plan. They will also contribute to two priorities under the Child and Youth Wellbeing Strategy: ‘enhancing child and whānau wellbeing in the first 1000 days’ and ‘reducing child poverty and mitigating the impacts of socio-economic disadvantage’.
Young people	Young people are disproportionately affected by housing stress. Census data reflects that young people under 24 years of age make up a significant proportion of the housing deprived population (approximately 45.1 percent of the housing deprived population in 2018). Young people transitioning to independence from care or youth justice placements have a high risk of experiencing housing deprivation and the need for emergency housing support. They often have multiple, compounding high and complex needs, as well as fragmented personal support systems. The housing system does not cater effectively to the specific needs of many in this cohort. Proposals in this paper aim to enhance the quality and security of emergency accommodation for young people.
Gender diverse people	Gender diverse people (including whakawahine, transgender, fa’afafine, takatāpui, non-binary, and agender people) have an increased risk of homelessness and a high-level of vulnerability within mainstream services. The 2018 Counting Ourselves survey of trans and non-binary people found that 19 percent of respondents had experienced homelessness, and 4 percent of respondents had avoided emergency housing because they were worried



	about how they would be treated. Proposals in this paper are intended to provide flexibility to support a range of services, reflecting diversity of need.
Disabled people	Approximately one in four people in New Zealand are disabled and this rate increases with age. Disabled people have specific risk factors that can lead to homelessness, including discrimination, a shortage of accessible housing and very low incomes which inhibit their accommodation choices, as well as specific needs when experiencing homelessness. Housing needs may differ from non-disabled people, and may require modifications to accommodation or additional support to live in their communities. Proposals in this paper will ensure disabled people with an emergency housing need will be placed in appropriate accommodation and suitably supported, as part of work on all actions. The housing needs of disabled people will also be considered as part of the Supported Housing Review.
Older people	Homelessness has significant impacts on older people, particularly in the categories of without shelter, temporary accommodation, and uninhabitable housing. The ageing population (65+) is projected to make 21 percent of the population by 2034, and over time more older people are predicted to be living in housing-related poverty, with fewer owning their own homes and more renting in sub-standard or unsuitable housing. Proposals in this paper will ensure older people with an emergency housing need will be placed in appropriate accommodation and suitably supported.
Rural communities	A lack of available emergency accommodation options within a reasonable travel distance can mean rural communities face additional barriers to accessing emergency housing, alongside other health and social supports. Proposals to enable Māori-led alternatives to emergency housing are intended to provide flexibility so that tailored solutions can be developed with communities to meet their needs and aspirations.

## Human Rights

- 54 The policy proposals are consistent with the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

## Consultation

- 55 This paper has been prepared by HUD. In preparing this paper, officials consulted with MSD, Manatū Hauora, Corrections, Ministry for Pacific Peoples, Oranga Tamariki – Ministry for Children, Kāinga Ora – Homes and Communities, Te Puni Kōkiri – the Ministry of Māori Development, New Zealand Police, the Department of Prime Minister and Cabinet (Child Wellbeing and Poverty Reduction Group, the Implementation Unit, and the Policy Advisory Group), Whaikaha – Ministry of Disabled People, Ministry of Education, and Te Tai Ōhanga – The Treasury.

## Communications

- 56 Our offices will work with agencies to explore appropriate opportunities to communicate the decisions of the reset and redesign of the emergency housing system. Agencies will take a co-ordinated approach to engagement and

communications about the initiatives to improve the quality and access to emergency housing and support services.

### Proactive Release

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

### Recommendations

- 58 The Minister of Housing and Associate Minister for Social Development and Employment recommend that the Committee:

#### *Progress with implementing the redesign and reset of the emergency housing system continues*

- 1 **note** that MSD is largely on track to deliver the MSD-related actions and will keep Ministers updated on progress.
- 2 **agree** that, due to key inter-dependencies with other actions, MSD will deliver actions 2 and 3 by August 2023 (instead of early 2023 and March 2023, respectively).

#### *Action 7: Investing in place-based approaches for Te Tai Tokerau and Te Tairāwhiti and Māori housing solutions in other priority areas*

- 3 **note** that HUD is moving at pace to partner with iwi and Māori housing providers to respond to immediate housing needs and reduce the overrepresentation of Māori amongst EH SNG recipients.
- 4 **note** that, without additional investment through MAIHI, HUD would be unable to provide the support necessary to reduce demand on, or provide alternatives to, EH SNG accommodation.
- 5 **note** that, without scaling up investment in affordable housing supply in regions where we anticipate that the development economics for new supply will prove challenging, we will likely see whānau pushed into greater housing deprivation.

#### *Action 6: Developing regional delivery plans to support alternatives to EH SNG accommodation in Hamilton City and the Wellington metropolitan areas*

- 6 **note** HUD is making good progress with the development of regional delivery plans.
- 7 **note** that, through early engagement and what we know of the cohorts and demand in each location, we have been able to identify opportunities to support whānau in emergency housing in Hamilton City and Wellington metropolitan areas that we can move on now, while we continue to develop regional delivery plans.
- 8 **note** that one significant opportunity, in Hamilton City and Wellington metropolitan areas, is the delivery of transitional housing s 9(2)(f)(iv)

- 9 **note** that, while there is some funding available existing initiatives, much of this has been, or is near to, being committed.

*Financial implications: Use of Budget 2022 funding*

- 10 **note** that in Budget 2022, Cabinet approved \$355.000 million Emergency Housing – progressing work on system changes Tagged Operating Contingency [CAB-22-MIN-0129 refers] and that \$247.324 million remains.
- 11 **agree** to draw down \$77.324 million of the remaining tagged contingency for the following:
- 11.1 to reduce demand on, or provide alternatives to, EH SNG accommodation through MAIHI: \$62.324 million for HUD;
  - 11.2 to fund immediate opportunities in Hamilton and Wellington metropolitan areas: \$15.000 million for HUD.
- 12 **note** that, in mid-2023, we will seek a final drawdown from the remaining funding held in contingency to implement place-based approaches, investing in additional opportunities in Hamilton City and Wellington metropolitan areas: \$155.000 million for HUD.
- 13 **approve** the following changes to appropriations to give effect to the policy decision in recommendation 9 above, with a corresponding impact on the operating balance and net debt:

	\$m – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Vote Housing and Urban Development					
Minister of Housing					
Multi-Category Expenses and Capital Expenditure:					
Non-Departmental Output Expense					
Transitional Housing MCA -					
Provision of transitional housing places	-	7.000	4.000	4.000	-
Non- Departmental Capital Expenditure:					
Upfront Payments MCA - He Kōkū ki te Kāinga - Increasing Māori Housing Supply – prepayment of upfront funds	-	30.000	32.324		-
Total Operating	-	7.000	4.000	4.000	-
Total Capital Expenditure	-	30.000	32.324	-	-

- 14 **agree** that the expenses incurred under recommendation 11 above be charged against the Emergency Housing – progressing work on system changes Tagged Operating



**IN C O N F I D E N C E**

Contingency previously established by Cabinet in Budget 2022 [CAB-22- MIN-0129 refers]

- 15     **agree** that the proposed change to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Authorised for lodgement

Hon Dr Megan Woods, Minister of Housing

Hon Priyanca Radhakrishnan, Associate Minister of Social Development and Employment