

Budget 2022 Initiative Summary – Main Budget Process

Temporary Accommodation Service – meeting rising costs to house displaced people following Civil Defence emergencies

Section 1: Overview

This section must be completed for all initiatives.

Section 1A: Basic Initiative Information

Lead Minister	Minister of Housing, Hon Dr Megan Woods.				
Department	Ministry of Housing and Urban Development (HUD)				
What type of initiative is this?	Critical cost pressure initiative	X	Manifesto commitment initiative		Health and Disability System Reform initiative
	Climate Emergency Response Fund initiative		Savings initiative		Non-Spending initiative
Initiative description [max 800 Characters]	<p>This initiative addresses critical cost pressures for MBIE's Temporary Accommodation Service (TAS) business unit by funding \$0.950m of capital expenditure in 2022/23 and increases of \$1.500m in operational expenditure (opex) in 2022/23 and outyears.</p> <p>MBIE has a statutory duty under the National Civil Defence Emergency Management (CDEM) Plan 2015 to coordinate temporary accommodation for displaced people after an emergency. Since receiving permanent funding in Budget 2018, demand for TAS has increased significantly.</p> <p>Funding will enable TAS to meet rising operational costs, an essential ICT system update and fulfil its duties under the CDEM Plan.</p>				
Is this a Cross-Vote initiative?	Y/N	N			
Department contact	s 9(2)(a)				
Treasury contact					

Section 1B: Total Funding Sought

Operating funding sought (\$m)	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears	Total
		1.500	1.500	1.500	1.500	6.000

Capital funding sought (\$m)	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	Total
		0.950	-	-	-	-	-	-	-	-	0.950

Section 1C: Initiative Classifications

Is this initiative seeking funding from the Climate Emergency Response Fund (CERF)? [max 300 characters in CFISnet].	N	No						
Is this initiative climate-related, but not seeking funding from the CERF? [max 300 characters in CFISnet].	Y	<p>Yes. Severe weather events result in TAS responses. The increasing severity, frequency and intensity of weather events may increase the scale and duration of temporary accommodation needs.</p> <p>TAS works with councils and CDEM Groups to choose accommodation sites that are not vulnerable to further weather events, mitigating future climate change risk.</p>						
Does this initiative align with the Crown's obligations under the Treaty of Waitangi?	Y	This initiative involves TAS working through its obligations with local iwi in response areas within its usual service delivery operating model.						
Specify if this initiative will help reduce child poverty and describe the impact [max 300 characters in CFISnet].	No impact	No impact.						
Does this initiative align with the Child and Youth Wellbeing Strategy?	Y	<p>Children and young people have what they need:</p> <p>As a community recovers from an emergency, children and young people can be housed in quality temporary accommodation that keeps them safe from avoidable harm. By being housed in their community, the disruption to their schooling and social connections is minimised.</p>						
Does the initiative include funding to procure from NGOs?	N	No.						
Does the initiative include funding to support digital and data related investments?	Y	Yes. TAS' registration system is adapted from one in use by MBIE. TAS's system is reusable in any event TAS responds to but the current system has been in use for four years and needs components updated to ensure its ongoing cyber resilience and efficiency.						
Is this a regulatory or legislative initiative (according to the guidance provided)?	N	No.						
Is this a significant investment initiative per the definition at section 4.8 of the Budget 2022 guidance?	N	No.						
		Data / Digital / ICT		Physical Infrastructure		Organisational Transformation		Specialised Equipment
	<u>See Annex A for further questions – mandatory to complete for all significant initiatives</u>							

Section 2: Cost pressure information

This section must be completed for all cost pressure initiatives. Skip this section for Manifesto Commitment, Savings, Non-Spending, Health and Disability System Reform (HDSR), Climate Emergency Response Fund (CERF) and Pre-Commitment initiatives.

See **section 4.2** of the Budget 2022 guidance for more information on cost pressure initiatives.

Answers must not exceed 1-2 paragraphs per section.

Cost pressure driver	X	Volume	Price	Personnel (driven by volume/price)
Cost pressure description		<p>This initiative funds critical cost pressures driven by increased demand for TAS resulting from an increase in the frequency and severity of emergencies, particularly weather events, and increased expectations from stakeholders to respond. In the two years between 2018-2020 the service activated only five times. TAS activated the same number of times between June-November 2021 alone.</p> <p>Fifteen new porta-cabins, procured to meet the needs of the West Coast response require an increase in funding for depreciation, maintenance, and transportation costs.</p> <p>The registration system that captures households' personal information has been in use for a number of years and requires an essential update to ensure the personal information contained in it continues to be protected. As the number of events TAS responds to increases, so will the amount of private information stored in the system.</p> <p>A Financially Neutral Adjustment through the October Baseline Update has ensured TAS can secure three formerly fixed term secondment roles as part of its permanent structure. However, because of pressures on TAS resources and its necessary focus on response, TAS has not been able to meet all of its obligations under the Section 73 of the CDEM Plan for:</p> <ul style="list-style-type: none"> (a) planning in advance for service delivery and technical support systems; and (b) prompting information gathering and analysis to ascertain the likely temporary accommodation demand and the most appropriate supply options for the affected populations; and (c) encouraging operational partnerships at both national and CDEM Group level for successful implementation of temporary accommodation plans. <p>Without this funding TAS will need to continue to seek funding on a per response basis to fund increased costs, further reducing its operational readiness and risking service quality. The ICT update would not be able to be completed, therefore privacy and security matters may not be able to be addressed.</p> <p>The frequency and severity of Civil Defence Emergencies declared under the Civil Defence Emergency Management Act 2002 has increased significantly from an average of one per year to seven events so far in 2021. Responses without a formal declaration have increased from four per year to over ten per year. Climate forecasts and earthquake return periods indicate that this trend is extremely likely to continue.</p> <p>In emergencies, TAS is responsible for ensuring displaced households can obtain temporary housing until such time as a permanent solution is found. In practice, this has meant providing housing for displaced people for up to ten years in the case of Canterbury. The increase in frequency and length of events has required TAS to request more out of cycle funding and prevented readiness and reduction activities from being carried out.</p>		
Cost pressure management		<p>TAS' appropriation is insufficient to fund the increasing number and complexity of response activations and TAS has had to seek Cabinet approval for additional funding four times over the last two years to manage cost pressures.</p> <p>Additionally, MBIE is reliant on Crown support through the use of Crown injections to continue to meet its obligations to staff and suppliers after the loss of a significant portion of its third party funding. The level of Crown support MBIE will receive for 2022/23 remains uncertain. MBIE has a number of areas with time limited funding ending in June 2022. MBIE's financial position is also exposed to the ongoing costs it has absorbed to ensure it remains a good public service employer and costs associated with becoming a carbon neutral public service. These additional uncertainties limit MBIE's scope to fund new activities within existing baselines.</p>		
Case for funding		<p>TAS has obligations under the CDEM Plan to coordinate temporary accommodation for displaced people after an emergency, including planning activities before an emergency occurs.</p> <p>The Public Inquiry into the Earthquake Commission (the Inquiry) includes recommendations that Government ensure resourcing and support is available from the outset of a response and that proactive work occur to plan for major natural disasters.</p> <p>This initiative will mitigate the cost and resource pressures TAS is experiencing and remove the need to seek additional funding for a fixed number of small-scale emergencies each year (separate funding would still be required for medium- to large-scale events). Responses for some events may be faster as a result of removing the burden of funding requests and providing the additional capacity to carry out readiness and reduction work.</p>		

The initiative seeks additional operational expenditure to ensure that planning can occur to address the recommendations of the Inquiry.

Non-departmental operational expenditure

\$0.950m in non-departmental operational expenditure will meet increased operating costs resulting from a high level of responses and will provide an uplift in operational expenditure available for small-scale emergencies.

This funding also allows TAS to invest in research and feasibility studies focussed on areas of the country that are at a high risk of being impacted by disasters. This research will enable better planning and faster responses.

Departmental operational expenditure

\$0.550m in departmental operational expenditure will ensure that TAS' new structure includes roles with functions focussed on readiness and reduction. The two proposed FTE will allow TAS to shift between response and readiness work more easily, serving as additional response capacity during active responses, and carrying out strategic planning, analysis of accommodation options for displaced people, as well as planning and engagement for events (in particular, catastrophic events) when not needed for response.

Departmental capital expenditure

TAS' registration system has been in use for a number of years and risks being more vulnerable to cyber-attacks and privacy breaches. It requires an essential update costing around \$0.950m to ensure that households' personal information held in the register is protected from cyber security attack or privacy breaches resulting from an out of date system.

Section 3: Value

Section 3 must be completed for all initiatives, unless exempted by the Minister of Finance in the invitation letter. Further information on the questions in this section can be found at Annex Two of the Budget 2022 guidance.

This section explains the initiative's value, drawing on elements of He Ara Waiora (section 3A) and the Living Standards Framework (Section 3D). For explanations of these two frameworks, please see the accompanying guidance.

Explanation

Intervention logic terms such as outputs, impacts, and goals can have different definitions. Please see table below for how the Treasury defines these concepts.

Explanation Table		
<i>This explanation table is for your reference only. Do not fill out the sections.</i>		
	Definition	Example
Outputs	The good or service the initiative is purchasing.	<p>The purchased goods are localised curriculum resources in te reo Māori, as well as the services of publishers, designers and story tellers.</p> <p>Costs cover the design, development, distribution and maintenance of online tools, interactive electronic and hard copy resources to promote and provide teachers, students and whānau, and external providers with quality tools and resources to enable effective teaching and learning from offsite or the workplace using a range of online, distance and place-based delivery modes.</p>
Impact	The direct effect of the initiative.	<ul style="list-style-type: none"> Increased whānau involvement in education which is a key driver to lifting student engagement and achievement. Improved student engagement and achievement in education that better reflects their identity, language and culture. Increased visibility of te reo Māori at schools and in the community. Learning programmes supported by quality te reo Māori resources.
Goals	What this initiative aims to achieve.	<ul style="list-style-type: none"> Normalisation of te reo Māori used by teachers in the classroom, wider school and home. Increased student and whānau participation in and retention of te reo Māori learning. Increase in the quality of te reo Māori used by teachers and students. Attitudinal shift in the wider education community that te reo Māori is recognised as being for everyone.

Section 3A: Opportunity/Problem

Opportunity/Problem

The frequency and severity of Civil Defence Emergencies declared under the Civil Defence Emergency Management Act 2002 has increased significantly from an average of one per year to seven events so far in 2021. Responses without a formal declaration have increased from four per year to over ten per year. Climate forecasts and earthquake return periods indicate that this trend is extremely likely to continue.

In emergencies, TAS is responsible for ensuring displaced households can obtain temporary housing until such time as a permanent solution is found. In practice, this has meant providing housing for displaced people for up to ten years in the case of Canterbury. TAS coordinates with local CDEM groups, local councils, iwi to support solutions that are appropriate to the local environment and needs of displaced households.

Since receiving permanent funding through Budget 2018, demand for TAS has increased significantly. Between September-November 2021, the service has activated five times and is currently managing six active responses; having previously only activated five times over two years (January 2018 and December 2020). TAS also engaged in 15 formal watches where its resources are required to actively monitor a potentially emerging situation. Weather-related emergencies are becoming more frequent, and communities are being affected more broadly (due to housing and trade shortages, for example).

TAS has a multi-category appropriation which can cover the initial period of a response but since 2017 has had to request approximately an additional \$20.600m to cover costs resulting from the Edgecumbe, COVID-19, Napier, and Westport events. TAS has purchased an additional 15 porta-cabins to meet increased demand, resulting in increased maintenance and depreciation costs of approximately \$0.470m. TAS' ICT system has been in use for a number of years and requires an essential update to ensure the personal information of households is protected against cyber security and privacy breaches. Funding for TAS has not increased to match the changed response need, risking TAS' ability to respond to additional events and eliminating the possibility of taking a pro-active approach to planning in high-risk areas that would support expedited placement of households in the event of an emergency and address the Inquiry recommendations.

Section 3B: He Ara Waiora

Tikanga- decisions are made by the right decision-makers, following a tikanga process, according to tikanga values

The CDEM Plan describes the roles and responsibilities of agencies within the system. Part of TAS' role is 'encouraging operational partnerships at both national and CDEM Group level for successful implementation of temporary accommodation plans.

TAS works with local decision-makers, including iwi, to find appropriate housing solutions. In its Edgecumbe response, TAS and Te Puni Kōiri jointly established housing in collaboration with iwi on marae land. When the TAS need was finished, housing was gifted to be used as kaumātua housing.

The new roles in TAS' new structure are required to include iwi in planning activity.

Manaakitanga- focus on improved wellbeing and enhanced mana for iwi and Māori, and for other affected communities and groups, demonstrating an ethic of care and mutual respect

By involving Māori in decision-making about accommodation solutions, and including them in planning activity in their rohe, solutions will be mana-enhancing. When TAS is stood down in an area, a transition that involves the community and its needs (like the Edgecumbe response) will also enhance the mana of residents.

The ability for TAS to accommodate displaced households locally using an array of temporary housing options also supports continued community connection, resulting in higher levels of wellbeing than if households needed to move away.

Section 3C: Outputs – The good or service the initiative purchases

Output

Description

Uplift in depreciation on new portacabins

TAS has increased its strategic reserve of porta-cabins by 15 to a total of 42 to meet the needs of displaced households. These assets incur depreciation which needs to be met within the operational expenditure.

The increase in depreciation amounts to approximately \$0.470m per year for four years.

Additional maintenance of new portacabins and other accommodation owned by TAS

TAS's strategic reserve of 42 porta-cabins and purchased accommodation requires maintenance to keep it in good working condition to support the wellbeing of the displaced households' resident in them and for future households in need. Maintenance costs can vary between \$600 and \$2,000 per year for services such as cleaning, damage repairs and general wear and tear. Maintenance is carried out when porta-cabins are returned and deployed. As the Westport need for porta-cabins declines, the porta-cabins will be returned and will require

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	<i>maintenance. Increased strategic reserve of 15 additional cabins results in increased maintenance costs of approximately \$0.0195m per year (\$1,300 per cabin per year).</i>
<i>Uplift in other operational (non-departmental) expenditure to readily respond to small scale emergency needs eg transportation, travel, leases</i>	<p>TAS needed to request \$20.662 m (including \$8.037m for COVID-19 response work) in additional funding for small- and medium-scale responses in the last five years. By increasing its operational (non-departmental) allocation by \$0.280m, TAS will be able to meet three to five small-scale response needs within baselines.</p> <p>Transport example – all 42 of TAS' porta-cabins are deployed in Westport for its response. As the Westport village becomes tenantable and as house repairs are completed, porta-cabins will be made available and will need to be repositioned around New Zealand to meet future response needs quickly. Relocations cost between \$5,500 and \$8,500 per move.</p> <p>Lease example – TAS uses a range of accommodation options to meet the housing needs of people displaced in emergencies. One of these is leasing commercial or subsidising private accommodation. TAS is currently paying \$142,000 per month on average in accommodation leases and expects this to continue for 8-12 months resulting in a cost of \$1.700 million per year at current demand levels. This is currently met through baselines and funding granted by Cabinet for the Westport response. However, TAS could not deliver the service to any new events without additional funding.</p>
<i>Commissioning research to identify accommodation options in high risk areas</i>	TAS will identify and prioritise high risk areas across New Zealand, and develop temporary accommodation plans to respond to the most likely hazards in different regions. Approximately \$100,000 per year will be invested in developing these plans and undertaking feasibility studies in the areas identified as high risk, in advance of emergency events. This may reduce response activity lead-in times by two to three months.
<i>Increased capacity to complete readiness work to support future responses</i>	TAS will include two new roles in its new structure that will be focussed on carrying out readiness and reduction work alongside local bodies and iwi to ensure faster and more effective service in the event of medium-large scale and catastrophic emergencies.
<i>Upgrades to the registration system ICT system to increase cyber security and privacy</i>	TAS's registration system will be updated to ensure that it is not vulnerable to attack so that it safeguards personal information of households contained in it.

Section 3D: Impacts – The direct effect of the initiative

Please repeat these questions for each impact

Impact 1	Description of the impact	Increased depreciation costs of approx. \$0.470m are met. TAS can meet the increased costs it bears resulting from an increase in its porta-cabin strategic reserve. By securing sufficient funding to meet these costs, non-departmental operational baseline funding will not be eroded and can be available for other operational needs and future emergencies.
	Quantification	TAS has purchased an additional 15 porta-cabins for its strategic reserve, all of which are currently deployed. The porta-cabins incur approximately \$20,000 depreciation each per year over four years. It has also purchased three relocatable houses (currently deployed in Westport) and supported the investment in Kainga Ora infrastructure on the West Coast. The total depreciation borne by TAS is \$0.758m TAS' Temporary Accommodation Housing Initiatives – Depreciation baseline is \$0.338m, leaving a shortfall \$0.470m.
	Supporting Evidence	N/A
	Gaps in Evidence	No. Assets have been purchased at these values which incur depreciation at these rates.
	Assumptions	This impact assumes that no further assets will be purchased by TAS and that TAS's porta-cabin reserves will be freed up in 2022 as the Westport village comes online. This modelling also assumes that any further small-sized emergencies resulting in additional need will be met within baselines, through the strategic reserve or other leased accommodation options.
	Implications	If there is a medium- to large-scale emergency, additional funding will be required.
Impact 2	Description of the impact	TAS's accommodation is well maintained providing better quality to users.

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		<p><i>In an emergency, displaced households:</i></p> <ul style="list-style-type: none"> • remain in damaged homes • stay with family and/or friends • self-identify paid accommodation • have their housing needs met by Kainga Ora if they are clients or • are supported by TAS into an accommodation option. <p>TAS's strategic reserve of porta-cabins and the homes it has purchased require routine maintenance to ensure houses are of a standard that supports the wellbeing of users.</p>
	Quantification	<p>By the provision of housing to people who would otherwise be living in a house in disrepair, we estimate a one-point change amounting to \$4,700 gain per person per year. The average number of displaced households per event is 114 of which TAS will support anywhere from 10-50% of households in some capacity. This means that well maintained housing made available to displaced people results in a gain of \$535,800 per year.</p> <p>The portability of TAS housing also allows many households to stay connected with their communities. We estimate a one-point change amounting to a \$9,833 per year benefit per person. The potential gain of supporting 114 households to remain in their communities per small event is \$1.121m.</p>
	Supporting Evidence	<p>All of TAS's porta-cabins have received routine maintenance before their most recent deployment.</p> <p>Living in a house that is in disrepair has negative impacts on life satisfaction. Living in a house that is in disrepair is measured on a five-point scale. A one-point deterioration in the condition of the respondent's house corresponds to a 0.07-point decrease in life satisfaction.</p> <p>Mental health has the largest impact on life satisfaction, with every one-point (0-100 scale) improvement in mental health corresponding to a 0.07-point increase in life satisfaction.</p> <p>Contact with neighbours has a positive impact on life satisfaction among the respondents, with a one point (0-4 scale) increase in contact corresponding to a 0.06-point increase in life satisfaction on average.</p>
	Gaps in Evidence	<p>TAS does not capture users' satisfaction with the quality of housing, sense of wellbeing or connection to community in its survey of households, but measures the overall satisfaction with the service, with 93.3% of customers satisfied or very satisfied with the service they have received.</p>
	Assumptions	<p>10% of those displaced from their homes would not be able to stay with family and friends in the short term and would be residing in a house in disrepair without TAS assistance. Assumes moderate damage to homes.</p>
	Implications	<p>In previous TAS response, support has been required by 10-50% of those displaced by the event. The conservative estimate of both the size and the percentage of households needing TAS as weather events become more severe and more frequent, the funding requested may fall short of delivering this impact.</p>
Impact 3	Description of the impact	<p>Current and future small-scale events are managed within the TAS multi-category appropriation without needing to seek additional funding.</p> <p>TAS activates its response within two weeks of an emergency. The initial stage of activation is met within baselines but depending on the size and scale of the emergency, additional funding can be required from Cabinet to meet the needs.</p> <p>By increasing the amount of operational expenditure available to TAS, it can more readily plan and commit to solutions for small-medium scale emergency events in the knowledge that funding is available.</p>
	Quantification	<p>TAS has responded to 11 small-scale emergencies over the last five years, which have required \$20.662 million additional funding (at an average of \$1.878m per response).</p> <p>TAS' baseline funding of \$0.495m will likely fall short to meet small-scale emergency needs.</p>
	Supporting Evidence	N/A

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	Gaps in Evidence	<i>Predicting the likelihood and size of future events is difficult.</i>
	Assumptions	<i>If the trend of increasing events continues, we estimate an average of five small-scale emergencies per year will require TAS support. However, there could be up to nine emergencies if current trends continue.</i>
	Implications	<i>A larger average number of small-scale events than the current trend predicts will mean that additional funding will need to be sought.</i>
Impact 4	Description of the impact	<p>Households in high-risk areas are more quickly placed in the event of an emergency.</p> <p><i>Through the investment in research to support planning for high-risk areas, TAS and its partner agencies will be better prepared with pre-identified solutions to stand-up a response and place households more quickly, potentially shaving one to two months from a response activity lead in time. Indicatively, the feasibility study for Westport cost approximately \$20,000. Approximately five high-risk areas per year could be included for investment totalling \$100,000.</i></p>
	Quantification	<i>By the provision of housing to people who would otherwise be living in a house in disrepair, we estimate a one-point change amounting to \$4,700 gain per person per year. By improving the lead-time of some response activities by one to two months, we estimate a \$1,175 gain per person. The average number of displaced households per event is 114 which means well maintained housing made available to displaced people results in a gain of \$133,950.</i>
	Supporting Evidence	<p><i>The Westport response has experienced delays of about two to three months in establishing a housing solution while it awaited the results of modelling and research. Pre-preparing such research will support a faster response, improving outcomes for displaced households.</i></p> <p><i>With households staying in motel accommodation during this time costing around \$1,800 per household per week, while waiting for a longer-term housing solution. Over two months, this costs \$14,400 for only one household.</i></p>
	Gaps in Evidence	<i>N/A</i>
	Assumptions	<i>This impact assumes that planning will result in a time saving of two months for households to be placed in longer-term solutions</i>
	Implications	<i>For every week that households do not remain in housing in disrepair there is a \$90 per person gain.</i>
Impact 5	Description of the impact	<p>National CDEM Plan responsibilities met</p> <p><i>Improvement in TAS' ability to respond to multiple concurrent events and, when not responding, can engage with wider responsibilities under the National CDEM Plan. For example, TAS can engage with councils to identify accommodation options/village locations before the immediate need arises resulting in smoother responses and more rapid placement.</i></p>
	Quantification	<i>As per impact 4</i>
	Supporting Evidence	<i>As per impact 4</i>
	Gaps in Evidence	<i>As per impact 4</i>
	Assumptions	<i>This impact assumes that the new resource will not be redeployed to responses so much so that they cannot undertake readiness activities.</i>
	Implications	<i>If the new resource is significantly redeployed to support responses, planning activity will be undermined.</i>
Impact 6	Description of the impact	<i>The ICT that is used to collect information about displaced households, and holds personal information, is safer and more resilient to cyber-attack and privacy breaches. Households' information is kept private and safe.</i>
	Quantification	<i>The registration system is used to capture information that includes personal information as defined under the Privacy Act 2020. The register has been used to record information about 16,000 people over eight responses and will be used in future responses. This register has experienced no known breaches but is four years old and requires essential updates to ensure its ongoing security.</i>

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	Supporting Evidence	<p><i>The Human Rights Review Tribunal (the Tribunal) has considered the appropriate range of compensation for breaches of the Privacy Act at length. It is entirely up to the Tribunal whether it awards compensation. Sometimes it does not award damages at all, or only awards a nominal figure. The behaviour of both the plaintiff and the agency can be relevant, as well as the actual harm the plaintiff has suffered.</i></p> <p><i>Unless there's a reason to award less, though, the Tribunal has said that cases at the less serious end of the spectrum will range from \$5,000 to \$10,000, more serious cases can range from \$10,000 to around \$50,000, and the most serious cases will range from \$50,000 upwards. The most the Tribunal has awarded so far for a privacy matter is just over \$168,000.</i></p>
	Gaps in Evidence	None.
	Assumptions	TAS has not had a known privacy breach, as the counterfactual is that a breach occurs and the intervention would prevent this, conservatively estimating that any impact will be within the lower range.
	Implications	None.

Section 3E: Goals – What this initiative aims to achieve

Please repeat these questions for each goal

Goal 1	Description	<p>Sustainability</p> <p><i>A suitably resourced TAS can meet rising operational costs.</i></p> <p><i>The Public Inquiry into the Earthquake Commission (the Inquiry) includes recommendations that Government ensure resourcing and support is available from the outset of a response and that planning occur to provide for planning for major natural disasters.</i></p> <p><i>Additional funding will mitigate the cost and resource pressures TAS is experiencing and reduce the need to seek additional funding in the event of small-scale emergencies, expediting a response. It seeks additional operational expenditure to ensure that planning can occur to address the recommendations of the Inquiry.</i></p> <p><i>The impact for New Zealand of a sustainably resourced TAS is quicker access to safe housing, hopefully in their community, following an emergency.</i></p>
	Quantification	<i>TAS' funding will need to grow in response to updated modelling of climate impacts on weather. At this time an uplift of \$0.280m in opex is estimated to be sufficient for meeting an average of five small scale events per year. Success will be all small-scale emergencies being met within TAS' baselines.</i>
	Timeframes	<i>This goal will be realised in the short term (<5 years) with this initiative.</i>
	Evidence and Assumptions	<i>If trends amplify and there are more small-scale emergencies than estimated, funding will need to increase to achieve this goal.</i>
	Implications	<i>This initiative assumes that 5 emergencies occur per year. Estimates of TAS' needs will need to be revised as modelling is updated.</i>
Goal 2	Description	<p>Quality and stability</p> <p><i>TAS accommodation options satisfy displaced households. TAS is better able to match displaced households the first time, resulting in greater stability.</i></p>
	Quantification	<i>TAS issues a satisfaction survey to households involved in emergencies. This survey shows that 93.3% TAS users found the service 'very satisfactory' or 'satisfactory'. Maintaining or exceeding this satisfaction level will provide assurance that households are comfortable with the quality of their experience. TAS' ability to continue to carry out</i>

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		<p><i>maintenance on accommodation it owns when it is deployed and when it is returned will also support achievement.</i></p> <p><i>Displaced people can sometimes be moved by TAS through a number of accommodation options during a response which can be disruptive. By understanding supply options in all areas of New Zealand, TAS can more readily meet households' needs in the first instance.</i></p>
	Timeframes	<i>This goal will be realised in the long term (>10 years) as TAS' planning function is better able to understand the unique composition of communities and housing options available to it.</i>
	Evidence and Assumptions	N/A
	Implications	N/A
Goal 3	Description	<p>Timeliness</p> <p><i>Displaced households will be placed into longer-term accommodation solutions more rapidly in high-risk areas. In emergencies, households may experience issues of poor housing quality affecting their feelings of safety, wellbeing, and connection to community. By quickly placing them in a temporary accommodation solution, community cohesion can be maintained supporting wellbeing.</i></p>
	Quantification	N/A
	Timeframes	<i>TAS' focus on high-risk areas will result in planning centred on 5 locations per year. It will take >10 years to build TAS' understanding of accommodation supply options in different parts of New Zealand.</i>
	Evidence and Assumptions	N/A
	Implications	N/A
Goal 4	Description	<p>Security</p> <p><i>TAS's registration system will continue to be safe from cyber security and privacy breaches. Users of TAS's services need to feel confident that they can safely share their personal information to seek support for their housing needs.</i></p>
	Quantification	<i>The goal aims for no privacy or security breaches related to out of date technology once upgrades have been completed.</i>
	Timeframes	<i>This goal will be completed in the short term (<5 years) as soon as the essential ICT updates are completed.</i>
	Evidence and Assumptions	<p><i>In line with global trends, cyber attacks against New Zealand organisations will continue to increase in number, sophistication and impact. New Zealand must continue to improve its cyber security system and capability as our current defences will not be commensurate with future threats.</i></p> <p><i>A more capable and secure State Sector is key to the Digital Strategy for Aotearoa's objective of building a prosperous and inclusive digital nation. Secure and capable government digital infrastructure is a component of New Zealand's overall 'trusted brand'. This supports us being seen as a safe place to do business by the international community and enhances New Zealanders' confidence to engage online, allowing efficiencies and innovation.</i></p> <p><i>Like New Zealand overall, state sector organisations are not sufficiently prepared for cyber-attacks. The reasons for this lack of preparation are broadly similar for the public and private sector, but within government there is the opportunity to make systemic change comparatively rapidly.</i></p>
	Implications	<i>TAS needs to maintain its registration system over time. Further updates will be required in future years.</i>

Section 3F: Distributional Analysis

Question 1: Does the initiative have the following types of distributional impacts for Māori?	A	Direct		Indirect	X	No Impact	
	If direct, please complete Question 1B. If indirect or no impact, please progress to Question 2.						
	B	Targeted and tailored for Māori		Disproportionate positive impact		Other (explain)	
	Please explain why the initiative falls under the category identified in B above [max. 300 characters in CFISnet].						
Question 2: Does the initiative have the following types of distributional impacts for Pacific Peoples?	A	Direct		Indirect	X	No Impact	
	If direct, please complete Question 2B. If indirect or no impact, please progress to Question 3.						
	B	Targeted and tailored for Pacific Peoples		Disproportionate positive impact		Other (explain)	
	Please explain why the initiative falls under the category identified in B above [max. 300 characters in CFISnet].						
Question 3: Does the initiative have the following types of distributional impacts for children?	A	Direct	X	Indirect		No Impact	
	If direct, please complete Question 3B. If indirect or no impact, please progress to Question 4.						
	B	Targeted and tailored for children		Disproportionate positive impact	X	Other (explain)	
	Over the last 7 TAS responses, 16% of the individuals supported by TAS have been children.						
Question 4: Does the initiative have direct impacts on any other population groups?	N	No.					
Question 5: What region is this initiative expected to impact?	X	All of New Zealand		Gisborne		Northland	
		Areas outside regions		Hawke's Bay		Offshore	
		Auckland		Manawatu-Whanganui		Otago	
		Bay of Plenty		Marlborough		Southland	
		Canterbury		Nelson		Taranaki	

Section 4: Alignment

Section 4 must be completed for all initiatives, unless exempted by the Minister of Finance in the invitation letter. Further information on the questions in this section can be found at Annex Two of the Budget 2022 guidance.

Section 4A: Strategic Alignment

How does this initiative link with your strategic intentions/statement of intent?	<i>MBIE's Strategic Intentions include a focus area of being people centred – people are at the very centre of the design and delivery of our services. TAS is designed entirely to focus on meeting the emergency accommodation needs of people displaced by emergencies.</i>
Does this initiative link with other sectoral or whole-of-government strategies (e.g. the Pacific Wellbeing Outcomes Frameworks)?	<i>This initiative links with the CDEM Plan. MBIE (through TAS) holds the responsibility for providing temporary accommodation.</i>
Does this initiative impact other agencies directly or indirectly? If so, how?	<i>This initiative affects the other agencies involved in the provision of shelter and accommodation in emergencies in the following ways:</i> <ul style="list-style-type: none"> <i>National Emergency Management Agency (NEMA) – NEMA is the agency responsible for the provision of emergency and temporary accommodation for displaced people for up to the first two weeks in a response. TAS' ability to stand-up and respond to small-scale events through adequate operational funding will enable transition from NEMA to TAS earlier.</i> <i>Kāinga Ora – Under the Plan, Kāinga Ora provides access to its accommodation in the event of need arising from an emergency. It also supports its clients to find shelter and accommodation.</i> <i>CDEM Groups – CDEM Groups are responsible for assess and coordinate shelter and emergency or temporary accommodation options locally. TAS' planning capacity will support CDEM Groups in high-risk areas to plan options for accommodation.</i> <i>Local government and iwi – Local government and iwi will be involved in planning activity undertaken in collaboration with TAS.</i>

Section 4B: Alignment to Government's goals

The Government's goals for this term are:

- 1) Continuing to keep New Zealand safe from COVID-19
- 2) Accelerating the recovery and rebuild from the impacts of COVID-19
- 3) Laying the foundations for the future, including addressing key issues such as our climate change response, housing affordability and child poverty

Alignment to Government goals	<i>This initiative aligns with the Government's goal of laying the foundations for the future. Internationally, people living in poverty are more likely to live on land that is most vulnerable to climate change-induced events¹.</i>
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¹ [MISEREOR Positionspapier Klimagerichtes Bauen](#)

Climate change will result in increased need for TAS' services to support people displaced by weather events (including floods, tornadoes, fires, and storm surges). By ensuring TAS is operating sustainably and that it is planning for future events, New Zealanders will be better cared for in emergencies that cause them to be displaced.

TAS cannot address issues of housing affordability and child poverty in usual times, but it can ensure that these factors do not result in a different level of service. TAS' experience in supporting households during COVID-19 has shown that it can overcome systemic issues when need arises to ensure that people are sheltered. 16% of people supported by TAS in responses over the last three years were children under the age of 18.

Section 4C: Contribution to the Government's Wellbeing Objectives

The Government's five wellbeing Objectives are:

- **Just Transition:** supporting the transition to a climate-resilient, sustainable, and low-emissions economy.
- **Future of Work:** enabling all New Zealanders and New Zealand businesses to benefit from new technologies and lift productivity and wages through innovation
- **Physical and Mental Wellbeing:** supporting improved health outcomes for all New Zealanders, including protecting New Zealanders from the impacts of COVID-19.
- **Māori and Pacific:** lifting Māori and Pacific incomes, skills, and opportunities, including through access to affordable, safe, and stable housing
- **Child Wellbeing:** reducing child poverty and improving child wellbeing, including through access to affordable, safe, and stable housing.

**Please note: these objectives have been agreed by Cabinet subject to wider consultation. The final versions of the objectives will be published in the Budget Policy Statement in December 2021.*

Physical and Mental Wellbeing	<i>It is well documented that quality, safe and affordable housing is essential to maintaining peoples' physical and mental health. A study conducted in the United States by a Committee on Post Disaster Recovery (2015) concluded that it is essential for health and wellbeing to provide housing rapidly and appropriately following an event.</i>
Māori and Pacific	<i>By including Māori and Pacific people in planning for future accommodation needs resulting from emergencies, these communities should experience more access to safe housing in an emergency in a way that enhances their mana.</i>
Child Wellbeing	<i>This initiative will impact on improved education outcomes for affected children and young people in the long term. Children and young people are particularly vulnerable during and after a disaster and their health and wellbeing can be further exacerbated if they lose their familiar environment, for example their home or school. (Lazarus et al, 2003).</i>

Section 5: Delivery

Section 5 must be completed for all initiatives. Further information on the questions in this section can be found at **Annex Two** of the Budget 2022 guidance.

Section 5A: Fit with existing activity

The answer must not exceed 1-2 paragraphs.

How does the initiative link with existing initiatives with similar objectives? *This initiative ensures the critical cost pressures experienced by TAS do not result in a reduction in service and sufficient resource means TAS can continue to meet the need resulting from multiple active responses and meet its obligations under the National Civil Defence and Emergency Management Plan.*

Is the initiative an expansion or a cost pressure for an existing initiative? *Y Yes. This initiative maintains the existing TAS service by meeting the increased costs resulting from increased need, updating the ICT system it uses and increasing its FTE to meet high response load and carry out duties under the Plan.*

If no, move on to section 5B.

Provide an overview of existing funding levels for this initiative, and/or initiatives with similar objectives, in the two tables below.

	Operating Funding profile (\$m)					Total					
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears						
Existing funding for this/similar initiatives	1.826	1.826	1.826	1.826	1.826	7.304					
Total funding sought for this initiative	-	1.500	1.500	1.500	1.500	6.000					
% change between existing funding and funding sought	0%	82%	82%	82%	82%	82%					
Comments (optional)	Provide explanatory comments to help interpretation of the above baseline figures.										
	Capital Funding profile (\$m)										Total
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Existing funding for this/similar initiatives	-	-	-	-	-	-	-	-	-	-	0.000
Total funding sought for this initiative		0.950									0.950
% change between existing funding and funding sought		100%									100%
Comments (optional)	Provide explanatory comments to help interpretation of the above baseline figures.										

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Section 5B: Funding sought by input

Provide a breakdown of what the requested funding will purchase. Briefly explain the formula used, or key assumptions made, to calculate the cost of each output. Add additional rows to the table as needed to capture each output separately. Please include which Vote(s) will be impacted by each component.

Formula and assumptions underlying costings	<p>Each input impacts Vote Building and Construction.</p> <p>Depreciation (calculated based on 5 years of deprecation for ICT, 4 years for portacabins and 10 years for infrastructure and relocatable homes).</p> <p>Maintenance – 15 new portacabins at an average of \$1,300 per cabin</p> <p>Feasibility studies – 5 studies at \$20,000 per study</p> <p>FTE – two new roles at approximately \$160,000 per role (average salary) with \$45,000 each for overheads</p>										
Input – Operating [Enter <u>one number</u> <u>value</u> per field only into CFISnet]	Funding profile (\$m)										Total
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears	Number values only, i.e. 15 or 100000. Do not enter any text, \$ signs or % signs.					
Input Information											
Depreciation accommodation	-	0.470	0.470	0.470	0.470						1.880
Maintenance costs	-	0.050	0.050	0.050	0.050						0.200
Feasibility studies	-	0.100	0.100	0.100	0.100						0.400
ICT depreciation		0.190	0.190	0.190	0.190						0.760
Uplift in opex baseline	-	0.280	0.280	0.280	0.280						1.120
FTE-specific Input Information (if applicable)											
New FTE funding	-	0.320	0.320	0.320	0.320						1.280
New contractor funding	-	-	-	-	-						-
Additional FTE overhead funding	-	0.090	0.090	0.090	0.090						0.360
Total operating	-	1.500	1.500	1.500	1.500						6.000
# of FTE's (employees and/or contractors)											2
What's the % increase in FTE compared to baseline FTE numbers											22%
Input – Capital	Funding profile (\$m)										Total
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Registration system ICT upgrade		0.950	-	-	-	-	-	-	-	-	0.950
Total		0.950	-	-	-	-	-	-	-	-	0.950
Appropriations	<p>This funding will increase the Temporary Accommodation Services MCA (M37) (A17) appropriation by \$6.950m in 2022/23 and \$6.000m in 2023/24-2025/26. This is composed of:</p> <p>Departmental output expenses increase of \$2.400m (\$0.600m per year for four years arising from ICT depreciation and 2 new FTEs)</p> <p>Non-departmental output expenses increase of \$1.480m (transport, leases, subsidising rent etc).</p> <p>Non-departmental other expenses (depreciation) increase of \$1.880m (\$0.458m per year for four years)</p> <p>Departmental capital expenditure of \$0.950m (a one-off expense in 2022/23)</p>										

Section 5C: Options analysis

The answer must not exceed 1-2 paragraphs.

Options analysis	<ul style="list-style-type: none"> MBIE reprioritisation
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BUDGET-SENSITIVE

	<ul style="list-style-type: none"> • MBIE surge staffing • Funding on an as required basis <p>MBIE reprioritisation</p> <p>MBIE is reliant on Crown support through the use of Crown injections to continue to meet its obligations to staff and suppliers after the loss of a significant portion of its third-party funding. The level of Crown support MBIE will receive for 2022/23 remains uncertain. MBIE also have a number of areas with time limited funding ending in June 2022 (for example MIQ). MBIE's financial position is also exposed to the ongoing costs MBIE have absorbed to ensure MBIE remains a good public service employer and costs associated with becoming a carbon neutral public service. These additional uncertainties are limiting MBIE's scope to fund new activities within existing baselines.</p> <p>MBIE surge staffing</p> <p>MBIE has provided staffing for responses through fixed term secondments. These roles cannot be backfilled meaning that there is service degradation in the secondees' home area of MBIE (eg the Service Centre). Funding reprioritised through October Baseline Updates has secured three formerly seconded roles as new roles in TAS' new structure. The structure sets TAS up for the future by acknowledging the rising need for response, however there is no funding for readiness capacity unless the two roles in this initiative are funded.</p> <p>Funding on an as required basis</p> <p>This option is our counter-factual in the section below.</p>
Counter-factual question	<p>If funding is not approved or is deferred, there is a risk that TAS' service delivery will diminish as events continue and TAS is stretched beyond capacity – especially with no ability to do any readiness work. MBIE is the agency responsible for providing temporary accommodation under the National CDEM Plan so will need to seek additional funding on a per response basis to meet the needs of small-scale emergencies as well as medium- to large-scale emergencies to fulfil its obligations. Without the readiness roles in this initiative, TAS' new structure will be undermined. Without the investment in ICT, the upgrade will not be able to be completed; therefore, privacy and security matters may not be able to be addressed.</p>

Section 5D: Scaled option

The answer must not exceed 1-2 paragraphs.

Option overview	<p>TAS could not achieve its objectives without full funding because of the cost pressures it is facing. Depreciation costs have increased by \$0.470m beyond the current appropriation. TAS also must carry out its ICT upgrade to safeguard the personal information of households registered on it. TAS has failed to deliver on its obligations under the National Civil Defence Emergency Management Plan and its new structure, will not secure any staff from response to deliver readiness and reduction work, additional funding is needed for this resource. TAS' operational costs have risen beyond baselines.</p>
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Provide a breakdown of what the minimum viable option would purchase. If the formula used or key assumptions made differ from those used for the primary option, briefly explain these. Add additional rows to the table as needed to capture each output separately.

Formula and Assumptions	Explain if different from primary option.										
Input - Operating	Operating Funding profile (\$m)										Total
	2021/22	2022/23		2023/24		2024/25		2025/26 & outyears			
Total	-										
Input - Capital	Capital Funding profile (\$m)										Total
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Total											
Appropriations	Indicate whether this funding would increase existing appropriations, establish any new appropriations, or alter the scope of an existing appropriation with effect from 1 July 2022.										

Section 5E: Monitoring and Evaluation

The answer must not exceed 1-2 paragraphs.

The following metrics can be used to track and evaluate the performance of temporary accommodation services:

- a. The service will be active within two weeks of a new significant civil emergency.
- b. Service requests will be responded to within 48 business hours.
- c. A 75% target rate for customer satisfaction regarding service quality of interaction, timeliness of advice and delivery of a solution will be measured.

The initiative will be evaluated through MBIE's regular monthly and annual reporting. Monitoring will be ongoing. MBIE's annual reports are made available to the public on its website as they are completed each year (usually around October/November).

Section 5F: Implementation readiness

The answer to each question must not exceed 1-2 paragraphs.

Workforce: Are additional FTEs or contractors required?	Y	Yes. Two roles have been created in TAS' new structure that require planning and engagement skills.
		TAS anticipates securing this FTE to be straightforward as there is no shortage of skills for this type of role. Average salaries for similar roles align with how MBIE has sized these roles.
Workforce: Resourcing considerations		TAS cannot meet its statutory obligations with current staffing levels. Reprioritisation of work is not possible in the response and recovery space and resourcing issues can only be met through additional FTE.
Timeframes		Increased depreciation, maintenance and other operating costs will be met from 2022/23. New staff will be recruited as soon as possible after funding is made available, subject to final decisions on restructure (out for consultation in November 2021). Essential ICT updates will be completed by June 2023.
Delivery Risks		This initiative will fund cost pressures in the existing service and small-scale emergencies that it will respond to. The key risks are the frequency, size and scale of emergencies which will limit TAS' ability to respond. TAS cannot mitigate the risk of emergencies but the more readiness activity it can undertake, the more areas and agencies will be prepared to coordinate to deliver timely solutions.
Market capacity		TAS do not expect to face any market capacity constraints in recruiting for the 2 FTE proposed by this initiative.
Previous delivery experience		TAS has been operating in a surge capacity since 2011 and as a standalone business unit within MBIE since 2015. This initiative represents a continuation of TAS' operations and an extension to enable it to meet its readiness responsibilities.