



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

19 MAR 2021

On 11 February 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *Any cost benefit analysis that the Ministry has made on Temporary Emergency Accommodation vs paying market rental for suitable property.*

The Ministry has not completed any cost benefit analysis on Temporary Emergency Accommodation vs paying market rental for suitable property. Therefore, I am refusing your request under section 18(g) of the Act as the information you have requested is not held by the Ministry and I have no grounds to believe that the information is held by another department, or Minister of the Crown, or organisation.

However, the Ministry has investigated the average costs of our different housing supports such as Accommodation Supplement, Income-Related Rent Subsidy, and Emergency Accommodation.

In the spirit of being helpful, please find enclosed a document displaying the Ministry's assistance to support people across the housing market. A bullet point has been redacted on this document under section 9(2)(f)(iv), as it is under active consideration. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

You can also find further information regarding the Public Housing Plan here: <https://www.hud.govt.nz/assets/Community-and-Public-Housing/Increasing-Public-Housing/Public-Housing-Plan/dd7ef6758d/Public-Housing-Plan-2018-2022.pdf>.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response in regard any to cost benefit analysis that the Ministry has made on Temporary Emergency Accommodation vs paying market rental for suitable property, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

A handwritten signature in blue ink, appearing to read 'Alex McKenzie', with a long horizontal flourish extending to the right.

Alex McKenzie
Manager
Employment and Housing Policy

MSD assistance to support people across the Housing Market

Housing Assistance by % MSD expenditure (Mar 2020 Quarter)



Housing Assistance \$ per head (Mar 2020 Quarter)



Housing Assistance overview

Accommodation Supplement: A weekly payment to help people with their accommodation costs (rent, board, mortgage payments). Subsidy level tied to income, cash assets, household size & location.

Income Related Rent Subsidy: Payment for Public Housing Tenants. Beneficiaries pay 25% of their benefit; Non-beneficiaries pay 25% below income threshold and 50% for each \$ above income threshold. Above an amount market rent is paid.

EH SNGs: Payment to help individuals and families with cost of staying in short-term emergency housing.

Temporary Additional Support: Weekly payment to help people cover essential living costs

Housing Support Products: Various products available to help households access and retain alternative housing (to Public Housing). Are usually last resort payments for clients where they have exhausted all other options and includes:

- Recoverable Assistance Payments
- Moving Assistance
- Rent in advance
- Tenancy Costs Cover
- Rent Arrears Assistance
- Statement of Satisfactory Tenancy

Analysis

- Accommodation Supplement is a key support that can help people maintain sustainable housing. It makes up MSD's largest housing assistance spend. Over the March 2020 Quarter, it cost \$426m and supported 317,527 clients. Despite this, it offers one of the smallest spends per head.



- The spend on Emergency Housing does not represent value for money, as at the March quarter, 6,341 clients were supported with an EH SNG, costing the Government \$54.1 million. The average cost of an EH SNG is around \$1500 per week.