



# Cabinet

## Minute of Decision

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### North Island Weather Events: Interim Support for Displaced Homeowners with Private Rental Arrangements

**Portfolios**                      **Social Development and Employment / Housing**

On 17 July 2023, Cabinet:

- 1        **noted** that following the flooding in Auckland on 8 February 2023 and the impact of Cyclone Gabrielle on multiple North Island regions on 27 February 2023, many displaced homeowners have taken on temporary accommodation in the private rental market and are relying on insurance cover to assist with the cost of their temporary rental accommodation;
- 2        **noted** that:
  - 2.1      the Ministry of Business, Innovation and Employment (MBIE) has received 52 requests for financial support from displaced homeowners who have sourced private rental accommodation;
  - 2.2      these requests for financial support are expected to increase as insurance payments for temporary accommodation costs will begin ending from July 2023 onwards, with most likely to have run out of insurance cover by December 2023;
- 3        **noted** that further advice on enduring options will be provided to Ministers, [REDACTED]
  - 3.1      s 9(2)(f)(iv) [REDACTED]
  - 3.2      [REDACTED]
  - 3.3      [REDACTED]
  - 3.4      [REDACTED]
  - 3.5      [REDACTED]
  - 3.6      [REDACTED]

**Proposed payment (the NIWE TAA interim solution)**

- 4 **agreed** to establish a Temporary Accommodation Payment (TAA) as an interim solution to provide financial assistance to a small cohort of homeowners displaced by the North Island Weather Events (NIWE) who are relying on temporary accommodation cover from their insurers, to cover the costs of temporary private rental accommodation where this cover has ended;
- 5 **agreed** that the NIWE TAA will operate in a similar way to the Canterbury TAA following the Canterbury earthquakes, and will be paid directly to the displaced homeowner to subsidise the costs of renting temporary accommodation in the private rental market;
- 6 **agreed** that maximum weekly rates for NIWE TAA will:
- 6.1 be based on average rents (as declared by Accommodation Supplement recipients) in the area that the temporary accommodation is located;
  - 6.2 reflect the household composition in terms of the required number of bedrooms (one to four plus);
- 7 **agreed** that where the maximum NIWE TAA payment is higher than the household's actual temporary accommodation costs, the amount of NIWE TAA will be equal to their actual temporary accommodation costs;

**Eligibility**

- 8 **agreed** that to be eligible for the NIWE TAA, the applicant will need to meet the following criteria:
- 8.1 has been displaced from their home due to damage directly caused by the NIWE, and the property has a red or yellow placard;
  - 8.2 owns the home from which they have been displaced, and continues to have costs associated with their damaged home (e.g., mortgage, rates, insurance etc);
  - 8.3 is living in a private rental accommodation with a tenancy agreement under the Residential Tenancies Act 1986 on the date the NIWE TAA is announced (expected to be on 17 July 2023);
  - 8.4 had insurance cover for temporary accommodation costs that has been agreed and paid out by their insurance company to cover their temporary accommodation costs, and this cover has been exhausted;
- 9 **agreed** that NIWE TAA recipients would no longer be eligible for NIWE TAA in the event that:
- 9.1 the affected homeowner no longer owns the affected home or is no longer incurring any costs associated with homeownership on their affected property;
  - 9.2 repairs or remediation work on their home is completed and they can move back to their affected property;
  - 9.3 the homeowner no longer meets the required eligibility criteria for any other reason;
  - 9.4 the NIWE TAA ends or is no longer available (funding for the programme is proposed to be for 2023/24 only);


- 10 **noted** that, where relevant, an applicant will need to provide sufficient evidence to the Ministry of Social Development (MSD) that they meet the criteria outlined in paragraph 8 above to qualify for this payment, and they will be required to sign a declaration to this effect;
- 11 **agreed** that the Ministry of Social Development will review applicants' eligibility for NIWE TAA after four months, taking into account any policy changes to the programme as agreed under paragraph 23 below;
- 12 **noted** that a recipient of the NIWE TAA will be required to notify MSD of any change in circumstances that could affect their eligibility to receive the NIWE TAA;
- 13 **noted** that the NIWE TAA will not be income or asset tested, but the applicant will be asked to declare that they have taken reasonable steps to limit the cost of their temporary accommodation, and MSD will be able to take into account the wider financial circumstances of the applicant;

### Implementation

- 14 **agreed** that MSD will implement the NIWE TAA from 4 September 2023, with provision for MSD to pay a lump sum to eligible homeowners with insurance cover ending prior to the date of implementation, back to 1 June 2023 at the earliest;

### Households not eligible for NIWE TAA

- 15 **noted** that there may be other households facing financial difficulties that will not be eligible for this interim financial assistance, including those who are:
- 15.1 currently staying with friends or family, boarding, lodging, in commercial accommodation, or are in other forms of temporary accommodation not covered by a tenancy agreement under the Residential Tenancies Act 1986;
  - 15.2 in TAS-supplied accommodation and are required to contribute to the costs of this temporary accommodation via a partial payment;
  - 15.3 underinsured or uninsured (i.e. do not have temporary accommodation support from their insurance provider);
  - 15.4 homeowners affected by events outside of the scope of the North Island Weather Events;
- 16 **noted** that displaced households who are not eligible for the NIWE TAA:
- 16.1 will be able to seek assistance with obtaining temporary accommodation through the MBIE TAS and will pay a weekly contribution assessed in relation to their financial circumstances;
  - 16.2 may also be able to receive financial assistance from MSD, where eligible;

- 17 s 9(2)(f)(iv)
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**Legislative implications**

18 **noted** that the NIWE TAA will be established by a Welfare Programme approved by the Minister for Social Development and Employment under section 101 of the Social Security Act 2018, from 4 September 2023, with a provision for MSD to pay a lump sum to a household who meets the eligibility criteria and whose insurance cover ended prior to the implementation date (4 September 2023);

19 s 9(2)(f)(iv) [Redacted]

20 **agreed** to amend the Social Security Regulations 2018 to provide that:

20.1 the NIWE TAA is not chargeable income for Temporary Additional Support;

20.2 people who receive the NIWE TAA cannot also claim their temporary accommodation costs as an allowable cost for Temporary Additional Support;

21 **agreed** to waive the 28-day rule for the commencement of the Welfare Programmes and amendments to the Regulations outlined in paragraphs 18, 19 and 20 above, as these regulatory changes confer only benefits on individuals;

22 **invited** the Minister for Social Development to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs;

**Next steps**

23 s 9(2)(f)(iv) [Redacted]

23.1 s 9(2)(f)(iv) [Redacted]

23.2 [Redacted]

24 s 9(2)(f)(iv) [Redacted]

24.1 s 9(2)(f)(iv) [Redacted]

24.2 [Redacted]

25 **authorised** the Minister for Social Development and Employment, in consultation with other Ministers as appropriate, to make refinements to the NIWE TAA as required, including decisions on the eligibility criteria, delivery of the payment, the effective date of payment, and the amount of support paid;

26 s 9(2)(f)(iv) [Redacted]

**Financial implications**

27 **approved** the following fiscally neutral adjustment(s) to provide for the above NIWE TAA and MSD establishment costs, with no impact on the operating balance and/or net debt:

	<b>\$m – increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
<b>Vote Building and Construction</b> <b>Minister of Housing</b> <b>Multi-Category Expenses and Capital Expenditure</b> Temporary Accommodation Services <b>Non-Departmental Output Expenses:</b> Temporary Accommodation Housing Initiatives - Operations	(10.000)	-	-	-	-
<b>Vote Social Development</b> <b>Minister for Social Development and Employment</b> <b>Benefits or Related Expenses</b> Hardship Assistance <b>Multi-Category Expenses and Capital Expenditure</b> Improved Employment and Social Outcomes Support <b>Departmental Output Expenses:</b> Administering Income Support (funded by revenue Crown)	8.887      1.113	-	-	-	-
<b>Total Operating</b>	-	-	-	-	-

28 **agreed** that the changes to appropriations for 2023/24 above be included in the 2023/24 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

**Enhanced Taskforce Green (ETFG) – further funding**

29 **noted** that \$2.5 million of spend from MSD’s baseline has been approved for ETFG clean-up this year so far;

30 **noted** that there is further clean-up work to be done to support ETFG recovery, that needs are still emerging, and that the approved spend of \$2.5 million will run out at the end of July 2023;

- 31 **authorised** the continued use of ETFG up to a cost of \$3 million (excluding GST), in 2023/24, in addition to the \$2.5 million (excluding GST) already authorised, to assist with the clean-up of damage caused by Cyclone Gabrielle;
- 32 **noted** that this spend will come from Vote: Social Development Multi-Category Appropriation - Improving Employment and Social Outcomes Support baselines.

Rachel Hayward  
Secretary of the Cabinet

*Secretary's Note: the decisions taken by Cabinet in paragraph 8.2 were subsequently updated at a meeting of the Cabinet Extreme Weather Recovery committee, exercising its power to act, on 19 July 2023.*

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