



## Briefing

### COVER BRIEFING FOR CABINET PAPER: ESTABLISHING A PRIORITY ONE CATEGORY FOR EMERGENCY HOUSING CLIENTS ON THE HOUSING REGISTER

<b>Date</b>	24 January 2024	<b>Priority</b>	High
<b>Tracking number</b>	HUD2023-003430 - REP/24/1/046		

#### ACTION SOUGHT FROM MINISTER(S)

<b>Minister</b>	<b>Action sought</b>	<b>Deadline</b>
Hon Chris Bishop <b>Minister of Housing</b>	Indicate your preferred approach on the remaining outstanding parameters for the Priority One fast track.	29 January 2024
Hon Louise Upston <b>Minister for Social Development and Employment</b>	Indicate your preferred approach on the remaining outstanding parameters for the Priority One fast track.	29 January 2024
Hon Tama Potaka <b>Associate Minister of Housing (Social Housing)</b>	Note the contents of this briefing.	

#### CONTACT FOR DISCUSSION

<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st contact</b>
Jeremy Steele	General Manager, Policy and Legislation Design, HUD	s 9(2)(a)	✓
Hayley Hamilton	General Manager, Housing, Employment and Climate Change, MSD	s 9(2)(a)	

#### OTHER AGENCIES CONSULTED

Kāinga Ora, Oranga Tamariki

**Date returned to HUD:** [CLICK HERE TO ENTER A DATE.](#)



## Briefing

<b>COVER BRIEFING FOR CABINET PAPER: ESTABLISHING A PRIORITY ONE CATEGORY FOR EMERGENCY HOUSING CLIENTS ON THE HOUSING REGISTER</b>			
<b>Minister(s) receiving</b>	Hon Chris Bishop, Minister of Housing Hon Louise Upston, Minister for Social Development and Employment Hon Tama Potaka, Associate Minister of Housing (Social Housing)		
<b>Date</b>	24 January 2024	<b>Priority</b>	High
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### Purpose

1. This paper provides further information and recommendations on establishing a Priority One fast track for families in Emergency Housing (EH) motels (Priority One). The attached draft Cabinet paper is based on advice and decisions sought in this and the previous briefing (HUD2023-003317). The draft Cabinet paper will be revised to reflect your final decisions.

### Executive summary

2. You received advice in December (HUD2023-003317/ REP 23/12/907 refers) that recommended; Priority One is delivered as a fast track within the Housing Register; that it should apply to families of an applicant with one or more dependent children<sup>1</sup>; who have received an Emergency Housing Special Needs Grant or have been in Contracted EH in Rotorua for 12 weeks or more; and that it should be established within the 100 days period.
3. We are seeking decisions on the remaining outstanding parameters for Priority One:
  - Whether a lower cut-off point for child age is appropriate
  - Whether the 12-week period of eligibility should be consecutive or cumulative
  - s 9(2)(f)(iv)
  - Relative priority of existing fast tracks in relation to Priority One
4. We recommend that the fast track apply to families, with at least one child under 18 (or a child 18 years old that is still at school), who have been in EH for at least 12 consecutive weeks.<sup>2</sup>
5. We propose that the Ministry of Social Development (MSD) have operational discretion to include a household on this fast track in exceptional circumstances where

<sup>1</sup> Includes families of an applicant with a dependent child or children who are not living with the applicant in emergency housing (that MSD has determined are a part of the applicant's household).



a family has been in EH for a 12-week cumulative period. s 9(2)(f)(iv)

We also recommend that the two existing fast tracks have priority over Priority One.

6. These changes alone are unlikely to significantly reduce the number of families in EH. Additional measures (a number of which are underway) will be needed that include exploring options around placement/allocation practices, increasing housing supply, ensuring EH is only used where absolutely necessary and supporting locally-led place-based responses. We will provide additional advice on a broader strategic approach to reduce EH motel use s 9(2)(f)(iv)

### RECOMMENDED ACTIONS

- |      |  |                       |
|------|--|-----------------------|
| 7.   | It is recommended that you:  |                       |
| i.   | <b>Agree</b> that families who have at least one dependent child are eligible for the Priority One fast track after a 12-week consecutive period in emergency housing granted as an Emergency Housing Special Needs Grant (EH SNG) or contracted emergency housing in Rotorua (collectively referred to as “EH”) | <i>Agree/Disagree</i> |
| ii.  | <b>Agree</b> that MSD will have discretion (if it considers that there are exceptional circumstances) to include families that have stayed in EH for a 12-week cumulative period on the Priority One fast track  | <i>Agree/Disagree</i> |
| iii. | <b>Agree</b> that the definition of “dependent child” for the purposes of the fast track is the definition used in Schedule 2 of the Social Security Act 2018, and includes 18-year-old children still at school covered by section 103 of the Social Security Act 2018  | <i>Agree/Disagree</i> |
| iv.  | s 9(2)(f)(iv)  | <i>Agree/Disagree</i> |
| v.   | <b>Agree</b> that existing fast tracks for rheumatic fever and Oranga Tamariki have priority ahead of the Priority One fast track  | <i>Agree/Disagree</i> |



- vi. **Agree** to implement the Priority One fast track via Cabinet Authority *Agree/Disagree*
- vii. **Agree** that HUD and MSD will monitor the impact of the Priority One fast track on families living in EH motels and will report back 12 months after implementation on possible changes to Priority One settings. *Agree/Disagree*
- viii. **Note** that when decisions are taken to implement the Priority One fast track, a full assessment of the Priority One fast track for consistency with the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1999 (BORA) will be provided
- ix. **Agree** to share this briefing and draft Cabinet paper with the Minister for Children *Agree/Disagree*
- x. s 9(2)(f)(iv) [Redacted]

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Anne Shaw  
**Deputy Chief Executive, Solutions Design and Implementation, HUD**  
24 / 01 / 2024

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Simon MacPherson  
**Deputy Chief Executive, Policy, MSD**  
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Hon Chris Bishop  
**Minister of Housing**  
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Hon Louise Upston  
**Minister for Social Development and Employment**  
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## Background

8. Reducing long term use of motels for emergency housing is a key priority for the Government, with a focus on prioritising families being one of the 100 day plan commitments. In December 2023 we provided advice on Priority One (HUD2023-003317/REP 23/12/907 refers) and sought your agreement to the approach and initial parameters (see para 2).
9. This briefing outlines the proposed approach to implementing the fast track and seeks decisions on remaining parameters including:
  - whether a lower cut-off point for the age of the applicant’s youngest child is appropriate, e.g. under 5 or under 14 years
  - whether the 12-week period for defining eligibility should be consecutive or cumulative
  - s 9(2)(f)(iv)
  - how to best meet the needs of those on existing fast tracks along with the new Priority One fast track.
10. In developing the recommendations in this paper, consideration has been given to the pros and cons of various alternative options. Detailed assessments are included in **Annex A**. The recommended design elements of the proposed fast track demonstrate several key benefits:
  - Administrative efficiency (use of discretion vs mandating)
  - Low-cost and simple to implement
  - Consistency with existing fast tracks
  - Flexibility – benefits from place-based approach where warranted.

## Outstanding Priority One design decisions

### The definition of “children” could be more tightly targeted

11. Our initial advice recommended eligibility for families with dependent children aged under 18 (or up to age 18 where they are still at school).<sup>3</sup> This is consistent with definitions of child and dependent child used in Schedule 2 of the Social Security Act 2018.
12. Officials explored a range of other options for the age of the youngest dependent child for determining eligibility (see Annex A). These included:
  - under 5 (aligns with a focus on first 1000 days and targets families with pre-school age children)
  - under 14 (broadly aligns with children under secondary school age).

<sup>3</sup> Not all 18-year-olds are dependent children. It is only 18-year-olds who meet the continuing education-related criteria in S103 of the Social Security Act 2018 who can be considered a dependent child.



13. A case could be made to limit eligibility to under 5s or under 14s as this would allow a more focused approach and could achieve results quicker for that group. It could also be later broadened to families with older children if desired. However, on balance, we recommend retaining the 18 years cut-off point because applying a younger age would:
- not significantly reduce the size of Priority One
  - add administrative complexity
  - introduce perception risk that motels are appropriate for older children or young people<sup>4</sup>
  - inconsistent with other programmes under the Social Security Act 2018.

### The consecutive weeks option is preferred with some discretion

14. We initially recommended that families would need to have stayed in EH for **12 weeks** to qualify for Priority One. We noted that a decision would be needed on whether this was 12 cumulative weeks or 12 consecutive weeks.
15. **12 consecutive weeks** is the simplest option to implement as it aligns with MSD's current reporting practices<sup>5</sup> and would make designing, implementing, and tracking eligibility of Priority One more straightforward. It would also limit the eligibility to an estimated 800 families at this point in time.
16. We also explored the option of a cumulative measure (this would recognise time spent in EH previously). However, this is more complex to implement, and may create an incentive for families not in EH to re-enter EH to 'top-up' their length of EH stay to qualify for the fast track. It also expands the overall size of the group significantly to 1100 families, making the policy less focused and effective.
17. We recommend the 12 consecutive weeks option is progressed, along with giving MSD discretion to include families who have a cumulative 12 weeks in exceptional circumstances. This is the most pragmatic and readily implementable option.

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<sup>4</sup> MSD will identify families eligible for the Priority One fast track using data collected from the Social Housing Register. This data better reflects households with dependent children than EH data does, as some clients may not have their children staying with them in EH. This might mean that the numbers of households affected are slightly higher than has been estimated, but this is not expected to be a significant difference.

<sup>5</sup> MSD allows people to leave EH for up to 28 days without this time breaking their recognised consecutive 12 weeks.



**Table 1: Estimated families in EH eligible: 12 weeks consecutive vs cumulative and different child age cut-off points.**

Max age of youngest child	Estimated number of families 12 weeks+ <i>consecutive</i> (recommended)	Estimated number of families 12 weeks+ <i>cumulative</i>
<b>18 (recommended)</b>	800	1100
<b>13</b>	700	1000
<b>5</b>	500	800

**Exclusions or removal from the fast track may be warranted in some cases**

18. There may be circumstances where an exclusion from eligibility for Priority One fast-track is justified. s 9(2)(f)(iv)

[Redacted]

6

19. s 9(2)(f)(iv)

[Redacted]

20. Where people are offered suitable social housing but turn it down without good and sufficient reason, MSD automatically removes them from the Housing Register, (which effectively removes them from any fast track).

**We recommend that existing fast tracks for Oranga Tamariki<sup>7</sup> and rheumatic fever rank ahead of the new fast track**

21. The addition of Priority One fast track will mean there are three fast tracks in operation. We need to decide the relative priorities of each fast track. They could be given equal weight or one prioritised over others. However, the size of the new fast-track would overwhelm the existing Oranga Tamariki and rheumatic fever fast tracks, reducing their effectiveness.

22. Conversely, the Oranga Tamariki and rheumatic fever fast-tracks are small enough by comparison that prioritising these ahead of Priority One will likely have negligible

<sup>6</sup> While they would be removed from the Priority One fast track, these households would remain on the Social Housing Register with their current Social Allocation System rating.

<sup>7</sup> This fast track includes caregivers of children in the custody of Oranga Tamariki, receiving an Orphan's or Supported Child's benefit, or in a permanent care arrangement.



impact overall on the effectiveness of the Priority One fast-track. The current fast tracks involve small groups (less than 50 families on each fast track). In addition, a sizable proportion of these families are also in EH motels, meaning they will meet both fast track criteria.<sup>8</sup>

- 23. Giving equal weight is also an option (which would treat all three groups as one fast track) but would still relatively disadvantage rheumatic fever and Oranga Tamariki fast tracks. On balance, we recommend that existing fast tracks for Oranga Tamariki and rheumatic fever rank ahead of Priority One.

### Operational considerations and implementational issues

s 9(2)(h)



<sup>8</sup> As of 31 October 2023, 20 EH households were flagged under one of the fast tracks, including 18 families with dependent children.

<sup>9</sup> s 9(2)(h)





There are Bill of Rights Act considerations which we will need to provide further legal advice on once policy decisions have been finalised

- 29. The Priority One fast track may limit the right to freedom from discrimination, such as discrimination based on family status and employment status. For this to be consistent with the New Zealand Bill of Rights Act 1990 (BORA), any limitation on a protected right or freedom (such as the right to freedom from discrimination) needs to be reasonable and able to be justified.
- 30. The PACHMA contains a provision (s 129) that makes it clear that MSD, when operating the Social Housing Register, can consider a range of criteria even when the effect is that people are treated differently on the basis of those criteria. This includes their age or family status. This section does not override BORA.
- 31. s 9(2)(h) [Redacted]
- 32. We note that even if Cabinet Authority is provided to deliver Priority One, the sections of PACHMA that enable MSD’s administrative actions and differential treatment of people subject to the Act does not affect the application of the Bill of Rights Act 1990 (BORA). We shall provide you with assessment of BORA implications of Priority One once you have made decisions in this paper. s 9(2)(h) [Redacted]

### Risks

- 33. The biggest remaining risks are that the Priority One fast track will be ineffective in reducing the number of families in EH due to the limited number of social housing places available and potential placement practices for social housing. Placement and allocation practices for both Kāinga Ora and CHPs will need to support the fast-track status given to the families in EH.<sup>10</sup> MSD and Kāinga Ora will work together make sure their operational approach supports this.
- 34. Temporary support measures have been successful in supporting households to move out of EH. Some families who already have an EH support may benefit from a transition period to support them into permanent housing. s 9(2)(f)(iv) [Redacted]

<sup>10</sup> Kāinga Ora will retain priority for business initiated transfers as these are essential to delivering its building and redevelopment programme.

<sup>11</sup> s 9(2)(f)(iv) [Redacted]



35. There is the risk that the fast track creates perverse incentives for people to enter or remain in EH to access the Priority one fast track. This could be partially mitigated via review of entry criteria for EH.
36. As part of our upcoming advice on a broader strategic approach to reduce EH motel use, we will also consider measures to prevent families cycling back into EH due to lack of transitional support upon placement.

## Consultation

37. This advice has been prepared with input from Kāinga Ora and Oranga Tamariki. CHPs will be informed in February 2024.<sup>12</sup>

## Next steps

38. We are working to a short timeline to deliver a final Cabinet paper in early February. The key next steps (tbc) are:
  - Ministers' agreement to recommendations in this paper and feedback on draft Cabinet paper by 29 January 2024
  - Revised Cabinet paper provided by 30 January 2024
  - Ministerial/coalition consultation from 30 January – 7 February 2024
  - Finalise Cabinet paper for lodging with Cabinet 100-Day Plan Committee by 8 February 2024.
  - Consideration by Committee 14 February 2024 and Cabinet on 19 February 2024

## Communications

39. We will begin developing communication support for the policy. One of the issues to raise is the name of the policy and fast track.
40. Because of the existing fast tracks, you could consider renaming the Priority One fast track. However, given this is an operational policy (rather than a programme people apply for or on-demand service), it may not be necessary to rename.

## Annexes

Annex A: Options analysis for policy design elements

Annex B: s 9(2)(h)

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<sup>12</sup> The policy has been signaled in your 100 days plan. Engagement with CHPs is not formally required unless legislation is needed to give effect to the policy, although it is necessary to enable the required operational changes.

## Annex A: Options analysis for policy design elements

The following tables contain assessment of the key elements of policy design for the Priority One family fast track. Each element has been assessed in terms of the number of people it currently applies to, effectiveness, efficiency, consistency with other parts of the system, and complexity or ease of implementation.

41. Key policy design elements assessed are:

- Definition of family and child (appropriate age cut-off point for children)
- Whether the eligibility period is 12 weeks consecutive or 12 weeks cumulative
- Exclusions from the policy/ removals from the fast track
- Priority relative to existing fast tracks

### Definition of a family and child

42. In the advice we recommended the definition of family for the purposes of Priority One be: those with at least one dependent child (including sole parents). Dependent child could be defined in a range of ways, including:

- children under 18, children who are 18 and still at school, and families with dependent adult children
- children under 18 and children who are 18 and still at school (recommended)
- children aged under 14
- children aged under five.

43. Research shows that frequent housing transitions and insecurity of tenure can have negative impacts on children under 5 and their family, as increased mobility may mean families are less likely to be affiliated with a primary health care provider. Additionally, there is an increased risk of emergency admissions for potentially preventable hospitalisation in early childhood, when children move house within the first twelve months of life. Residential mobility has also been associated with increased socioemotional and behavioural difficulties in preschool children. As low income households in private rental homes experience high residential mobility, often resulting in frequent changes of schools for children, there is also an association with poor education performance.<sup>13</sup> Stays in emergency housing can be considered insecure, as they are intended to be short-term stays in accommodation that may not be well suited to the needs of a child or their family.

44. We expect the impacts on housing insecurity for children under 14 and children under 18 will be similar, due to the need for adequate facilities for study and socialisation with family and friends, which motels will not always have. Research has shown that insecure housing has a negative effect on long term educational, health and employment outcomes for children and young people under 18.<sup>14</sup>

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<sup>13</sup> References in this paragraph are sourced from *Housing-related experiences of families with young children in contemporary Aotearoa New Zealand* (Ministry of Social Development (2021), page 100).

<sup>14</sup> *Children's and Young People's Housing Experiences: Issues and Scoping Paper*, Centre for Housing Research, August 2007

45. Targeting a smaller group could be more readily implemented and result in a more significant reduction in EH reliance for families in that particular group. However, given the large number of households in EH for more than 12 weeks with dependent children under 5 and under 14, the effect of this tighter definition would be to deprioritise households where the youngest dependent child is above these ages.

46. Options are assessed below:

<b>Option</b>	<b>Number of people this applies to</b>	<b>Effectiveness</b> How well will it reduce EH motel use for families?	<b>Efficiency</b> How quickly will it reduce EH motel use for families?	<b>Consistency</b> How does it fit with the rest of the system?	<b>Complexity</b> How implementable is this option? Is there cost involved?
Children under 18, children who are 18 and still at school and families with dependent adult children	800-1100	Targets a larger group of families. Prioritisation effect diluted by large numbers of eligible households	Slower due to large number of Priority One households	Does not align with current definition of dependent child in the Social Security Act 2018	Some complexity due to inconsistency with other areas of the Social Security system
Children under 18 and children who are 18 and still at school <b>(recommended)</b>	800-1100	Targets a larger group of families. Prioritisation effect diluted by large numbers of eligible households	Slower due to large number of Priority One households	Aligns with current definition of dependent child in the Social Security Act 2018	Least complex
Children aged under 14	700-1000	Smaller group. Prioritisation effect improved by smaller cohort, but still a relatively large group of eligible households (compared to existing fast tracks)	Faster for eligible households, but slower for households with dependent children 14 and over	Does not align with current definition of dependent child in the Social Security Act 2018	Some complexity due to inconsistency with other areas of the Social Security system
Children aged under 5	500-800	Prioritisation effect improved by smaller cohort, but still a relatively large group of eligible households (compared to existing fast tracks)	Faster for eligible households but slower for households with dependent children 5 and over	Does not align with current definition of dependent child in the Social Security Act 2018	Some complexity due to inconsistency with other areas of the Social Security system

47. We recommend the definition is consistent with the definition of families with dependent children used in the Social Security Act 2018, to make other aspects of implementation more straightforward and less open to challenge. This will mean a

larger group is prioritised, but that all children under 18 contribute to increase exits from EH and placement into social housing.

## 12 weeks cumulative or consecutive

48. Twelve cumulative weeks would include a further 200-250 families who have had one or more previous stays in EH and would be complex for MSD to implement. Using 12 consecutive weeks would make designing, implementing, and tracking eligibility of Priority One more straightforward.
49. MSD and HUD agreed there are three basic options for these criteria, outlined below.

<b>Option</b>	<b>Number of people this applies to</b>	<b>Effectiveness</b> How well will it reduce long-term EH motel use for families?	<b>Efficiency</b> How quickly will it reduce EH motel use for families?	<b>Consistency</b> How does it fit with the rest of the system?	<b>Complexity</b> How implementable is this option? Is there cost involved?
12 weeks consecutive	Around 800	Effective, with regional variation	Effects gradual	Aligns with current MSD data reporting practices	Readily implemented
12 weeks cumulative	Up to 1100?	Effective, with regional variation	Slightly longer – larger group	Less aligned with current data reporting	Some tracking required
=12 weeks consecutive with discretion for 12 weeks cumulative <b>(recommended)</b>	800-1100	Effective, with regional variation		Broadly consistent	Could be in-between

50. We recommend 12 weeks consecutive, with discretion for 12 weeks cumulative, as the most readily implementable option as it includes sufficient flexibility for exceptional circumstances.

## Exclusions

51. s 9(2)(f)(iv) [REDACTED]
52. Where people are offered suitable social housing but turn it down without good and sufficient reason, MSD automatically removes them from the Housing Register, (which effectively removes them from any fast track).
53. s 9(2)(f)(iv) [REDACTED]

54. s 9(2)(f)(iv)

## Priority against existing fast tracks

55. Two fast tracks already exist for vulnerable children – one for families with children with rheumatic fever or at risk of rheumatic fever, and one for caregivers of children who are in the custody of Oranga Tamariki or in a permanent care arrangement. These are much smaller fast tracks than the proposed Priority One, with each containing less than 50 families at any time.
56. In addition, a sizable proportion of these families are also in EH motels, meaning they will meet both fast track criteria. As of 31 October, 20 households in EH motels were flagged under one of the fast tracks, including 18 families with dependent children.
57. MSD and HUD agree that existing fast tracks should likely be prioritised ahead of Priority One. This will have a negligible impact on the operation of Priority One. Not prioritising these above Priority One would mean the larger fast track for families in EH could significantly delay placement for those in the existing fast tracks, meaning the fast track for vulnerable children will grow in size.

Option	Effectiveness How well will it reduce EH motel use for families?	Efficiency How quickly will it reduce EH motel use for families?	Consistency How does it fit with the rest of the system?	Complexity How implementable is this option? Is there cost involved?
Existing fast tracks (rheumatic fever and children in care) prioritised ahead of P1 ( <b>recommended</b> )	Minor reduction in effectiveness of P1 compared with other options Around half of families on existing fast tracks are in EH motels anyway.	No significant impact on speed of reduction	Good fit. No adverse impact on other fast-tracks	Simple and low cost
P1 ahead of existing fast tracks	No reduction in effectiveness of P1	No impact on speed of reduction	Likely to effectively nullify OT and RF fast-tracks in many areas by weight of numbers in P1	Simple and low cost
Equal rating across all	Minor reduction in effectiveness of P1 compared with other options	No significant impact on speed of reduction	Dramatic reduction in effectiveness of OT and RF fast-tracks (due to size of P1 group).	More complex to administer with larger pool



**Annex B:** s 9(2)(h)

[Redacted]

[Redacted]

[Redacted]

s 9(2)(h)

[Redacted]