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Office of the Associate Minister of Housing (Social Housing)

Chair, Cabinet Business Committee

## **Social Security (Emergency Housing) Amendment Regulations 2024**

**Proposal**

- 1 This paper seeks authorisation for submission to the Executive Council of the attached 'Social Security (Emergency Housing) Amendment Regulations 2024' (the amendment regulation), to ensure provisions relating to emergency housing (EH) in the Social Security Regulations 2018 continue to operate as intended after the establishment of a new standalone Emergency Housing Grants Programme.

**Policy Analysis**

### **The Government has a priority to reduce the number of households in emergency housing**

- 2 The Emergency Housing Special Needs Grant (EH SNG) is the main government support for people experiencing immediate housing need. It funds short-term emergency housing in commercial accommodation whilst suitable sustainable accommodation alternatives are sought. The authority for the assistance is currently within the Special Needs Grants Programme (SNG Programme), which is a Ministerial welfare programme established under section 101 of the Social Security Act 2018.
- 3 When introduced in 2016, the demand for the programme was far greater than anticipated, and numbers in EH continuously rose with a particularly high increase during the pandemic. As a result, the Government has set a target 75 percent reduction of emergency housing households by 2030.
- 4 We have already seen recent success in reducing numbers in EH. For the past nine months, numbers have decreased consecutively, supported by Government actions such as introducing the Priority One fast-track and bolstering the supply of social housing. To ensure we sustain this trend, and that EH is only going to those in genuine need, the Government has committed to "tightening the gateway" to EH by reviewing eligibility settings and introducing a compulsory responsibility framework.

### **Housing Ministers have agreed to policy settings for "tightening the gateway" to emergency housing**

- 5 On 24 April 2024 the Minister of Housing, Minister for Social Development and Employment, and Associate Minister of Housing (Social Housing) (Joint Ministers), under Power to Act authorised by Cabinet [SOU-24-MIN-0008

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refers], agreed to revised eligibility settings and the introduction of a new responsibilities/warning framework for recipients of EH grants.

- 6 The tightened gateway to EH will:
  - 6.1 be more rules-based, making it easier for MSD to administer and provide clearer expectations for EH recipients,
  - 6.2 reduce the risk of people being in EH only to ensure they are prioritised for social housing, and
  - 6.3 ensure EH grants are provided to those in genuine need who have met their responsibilities.
- 7 The agreed changes will support a decrease in EH SNG use by an estimated 50 per cent by the end of the 2027/28 financial year. Budget 2024 included savings from changes to EH settings and continued investment in housing support services of \$350.545 million over the forecast period.<sup>1</sup>
- 8 Joint Ministers also agreed to the establishment of a new welfare programme specific to emergency housing, which requires the transfer of relevant emergency housing provisions out of the current SNG Programme. The establishment of a standalone 'Emergency Housing Grants Programme' (EHG Programme) will enable legislation that is easier to navigate and contains appropriate settings specific to the operational needs for EH.

**Consequential amendments are needed to the Social Security Regulations 2018**

- 9 To ensure references to EH in the Social Security Regulations 2018 remain, the following three amendments are required:
  - 9.1 amend the definition of "emergency housing contribution" to reference the new EH welfare programme instead of the SNG Programme,<sup>2</sup>
  - 9.2 amend the regulation on rate of recovery of a debt that is related to emergency housing contribution to reference the new EH welfare programme instead of the SNG Programme, and
  - 9.3 add a new clause to ensure existing regulations will continue to apply to people who are paying EH contribution under current settings once amendments come into force.
- 10 The proposed amendments are minor and technical. These changes need to be agreed before I have approved the new EHG Programme to ensure the amendments can come into force by 26 August 2024.

<sup>1</sup> Note there are a range of interventions across the housing system and broader trends that cannot be included in the modelling and may impact EH numbers – including: immigration settings, future levels of and access to social/transitional housing, future levels and costs of private market options.

<sup>2</sup> The amendment to this definition would subsequently affect regulations 71(5)(c), 210(3), and 227 which all use the term 'emergency housing contribution'.

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- 11 In July 2024, I expect to approve the new EHG Programme and additional consequential amendments to the:
- 11.1 Special Needs Grants Programme,
  - 11.2 Flexible Funding Programme, and
  - 11.3 Ministerial Direction on Redirection of Benefit Payments (given on 17 March 2015).

**Timing and 28-day rule**

- 12 I intend for these proposed amendments to come into force concurrently with the rest of the gateway changes on 26 August 2024. The amendment regulation, if approved, will be submitted to the Executive Council for consideration on 22 July 2024, and subsequently published in the *New Zealand Gazette* by 28 July 2024 to comply with the 28-day rule.

**Compliance**

- 13 The amendment regulation (where applicable) complies with:
- 13.1 the principles of the Treaty of Waitangi | Te Tiriti o Waitangi;
  - 13.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
  - 13.3 the principles and guidelines set out in the Privacy Act 2020;
  - 13.4 relevant international standards and obligations; and
  - 13.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

**Regulations Review Committee**

- 14 There are no grounds for the Regulations Review Committee to draw the consequential amendments to the attention of the House of Representatives as a Standing Order requirement.

**Certification by Parliamentary Counsel**

- 15 The draft regulations have been certified by the Parliamentary Counsel Office as being in order for submission to Cabinet, provided that the requirements in section 448(3) of the Social Security Act 2018 have been satisfied. I have been delegated responsibility to submit these regulations. On behalf of Hon Louise Upston, Minister for Social Development and Employment, I confirm that in respect of section 448 of the Social Security Act 2018 the relevant requirements have been met.

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**Impact Analysis**

- 16 Cabinet's impact analysis requirements applied to the proposal to tighten the gateway to EH, but no regulatory impact statement was prepared, and the paper did not meet Cabinet's requirements for regulatory proposals [SOU-24-MIN-0008 refers]. The Ministry for Regulation and the Ministry of Social Development have agreed that supplementary analysis will be provided when Cabinet is updated in August 2024.

**Publicity**

- 17 The gateway changes and the new EHG programme, along with a description of any consequential amendments, will be published on the MSD publicly accessible external website.

**Proactive release**

- 18 The intention is to proactively release this Cabinet Business Committee paper, subject to any redactions as appropriate under the Official Information Act 1982.

**Consultation**

- 19 Due to the minor and technical nature of the proposed amendments, no departmental consultation was undertaken on the specific proposals within this paper. However, the following agencies were consulted on the policy settings proposed for tightening the gateway and have been informed of these proposals: The New Zealand Treasury, Oranga Tamariki, Ministry of Justice, the Police, the Department of Corrections, Manatū Hauora, Te Whatu Ora, Department of Prime Minister and Cabinet, Te Puni Kōkiri, Ministry for Pacific Peoples, and the Office for Seniors.

**Recommendations**

I recommend that the Cabinet Business Committee:

- 1 **note** that on 24 April 2024 the Minister of Housing, Minister for Social Development and Employment, and Associate Minister of Housing (Social Housing) (Joint Ministers), under Power to Act authorised by Cabinet [SOU-24-MIN-0008 refers], agreed to revised eligibility settings and the introduction of a new responsibilities/warning framework for recipients of emergency housing grants.
- 2 **note** that changes to tighten the gateway to emergency housing will:
  - 2.1 be more rules-based, making it easier for MSD to administer and provide clearer expectations for emergency housing users,
  - 2.2 reduce the risk of people being in emergency housing only to ensure they are prioritised for social housing, and

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- 2.3 ensure emergency housing grants are provided to those in genuine need who have met their responsibilities.
- 3 **note** that Joint Ministers also agreed to the establishment under section 101 of the Social Security Act 2018 of a standalone welfare programme for emergency housing (the Emergency Housing Grants Programme) as part of the emergency housing gateway changes, which requires the transfer of relevant emergency housing provisions out of the Special Needs Grants Programme.
- 4 **note** that I am satisfied that in respect of section 448 of the Social Security Act 2018 the relevant requirements have been met.
- 5 **note** that due to the establishment of the Emergency Housing Grants Programme referred to in recommendation 3 above, the Social Security (Emergency Housing) Amendment Regulations 2024 seeks consequential amendments to the Social Security Regulations 2018 to:
- 5.1 amend the definition of “emergency housing contribution” to reference the new emergency housing welfare programme instead of the Special Needs Grants Programme,
- 5.2 amend the provision on rate of recovery of a debt that’s related to emergency housing contribution to reference the new emergency housing welfare programme instead of the Special Needs Grants Programme, and
- 5.3 add a new clause to ensure existing regulations will continue to apply to people who are paying emergency housing contribution under current settings once amendments come into force.
- 6 **note** that in July 2024, I expect to approve the new Emergency Housing Grants Programme and additional consequential amendments to the:
- 6.1 Special Needs Grants Programme,
- 6.2 Flexible Funding Programme, and
- 6.3 Ministerial Direction on Redirection of Benefit Payments (given on 17 March 2015).
- 7 **authorise** the submission of the Social Security (Emergency Housing) Amendment Regulations 2024 to the Executive Council.
- 8 **note** that, if approved, the Social Security (Emergency Housing) Amendment Regulations 2024 will come into force concurrently with the Emergency Housing Grants Programme on 26 August 2024.

Authorised for lodgement

Hon Tama Potaka

Associate Minister of Housing (Social Housing)