



20 March 2023

Tēnā koe

On 27 February 2023, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- a. The amount that has been paid to Sails Motor Inn Hamilton Limited for housing accommodation at the motel;*
- b. The period of time over which the money has been paid;*
- c. The amount of money paid to Sails Motor Inn Hamilton Limited for damages or loss of income (including the dates of payment);*
- d. The terms of the Contract between the Ministry of Social Development and Sails Motor Inn Hamilton Limited;*
- e. Any agreement for the Ministry to pay for repairs to the land and buildings at any time at any time including at the end of the contract term.*

Demand for housing across New Zealand is growing and many people are experiencing a severe and immediate need. This demand is generated by a shortage of affordable housing driving up house prices and rents. People on low incomes are most affected by rising housing costs and many seek financial help through the Ministry.

The Emergency Housing Special Needs Grant (EH SNG) is available to people who cannot remain in their usual place of residence, if any, and do not have access to other accommodation which is adequate for them or their family's needs. The Ministry pays EH SNGs directly to the accommodation supplier and assistance is generally granted for up to seven nights but can be extended dependant on individual circumstances.

After these seven nights Work and Income arrange another appointment with the client to discuss their housing situation and if another grant is required. The Ministry works hard to support people in emergency housing to secure a

long-term housing solution, either through public housing or private rental accommodation. Other options including transitional housing can also be explored as an option depending on availability and the individual's circumstances.

The Ministry recognises that motels are not a long-term solution or the solution that we want to deliver for people who are potentially in a vulnerable situation. They provide a short-term solution while more sustainable options are progressed. More information about EH SNGs is available at the following link: www.workandincome.govt.nz/housing/nowhere-to-stay/emergency-housing.html

Some people may struggle to access suitable housing due to a lack of available supply or they simply may not be able to meet the high cost of housing which may result in them receiving EH SNG support for an extended period of time.

For people with high and complex needs, it can sometimes be challenging to identify suitable long-term housing, which can lead to longer stays in emergency housing. Work and Income work closely with these people to see what can be done to ensure that once they have a home of their own, they have the skills to sustain it, and the support they need to keep it.

For your first two questions, please see **Table One** below, showing the year, the number of EH SNGs, and the amount granted. Note that a client can have more than one grant in a time period. Please also note that this is the total of all grants to date.

In response to your third, fourth and fifth questions regarding the terms of a contract between the Ministry and the Sails Motor Inn.

It is important to note that the Ministry does not contract directly to Emergency Housing suppliers. In order to receive an Emergency Housing Special Needs payment, an accommodation supplier must register with the Ministry as a supplier. The Ministry can only pay into the bank accounts of businesses who are registered as suppliers, and this registration does not create a contractual relationship between the Ministry and the accommodation supplier. Therefore, I am refusing your request under section 18(g) of the Act as the information you had requested is not held by the Ministry and I have no grounds to believe that the information is either held by or closely connected to the functions of another department, Minister of the Crown or organisation. However, where the Ministry is paying an EH SNG for accommodation, they can facilitate the cost of a security deposit. A security deposit helps safeguard the supplier from loss or damage caused by the client or anyone staying with the client. Security deposits need to be agreed to by the clients and the supplier of the accommodation, and approved by the Ministry, before a client can stay with a supplier.

The security deposit is generally the equivalent of 7 nights' accommodation for EH suppliers. The security deposit is recoverable, and clients are required to pay this back to the Ministry at a rate that does not cause them hardship.

The security deposit can only be used to cover costs such as:

- any breakages or damages caused by the client or anyone staying with them (such as any breakages or damage to the property whether intentional or accidental)
- losses relating to failure of the client not meeting their obligations to the supplier/provider under their agreement for stay
- any loss of accommodation costs that the client fails to pay.

The security deposit does not cover the cost of refurbishing units when tenants move out or the property ceases provision of emergency accommodation or general wear and tear. More information on how security deposits work is available here: www.workandincome.govt.nz/providers/housing-providers/security-deposit.html

The Ministry provides information on its website to property owners, landlords and providers of emergency and public housing, here: www.workandincome.govt.nz/providers/housing-providers/index.html

Please see **Table Two** below, showing the number of EH SNGs and the amount granted for Security Deposit claims to Sails Motor Inn Hamilton Limited from 1 October 2022 to 31 January 2023. Please note that this is the total of all claims to date.

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 on the Ministry'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 regarding information on Sails Motor Inn Hamilton Limited, 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 'K. Hocking', followed by a long horizontal line extending to the right.

Karen Hocking
Group General Manager
Housing

Appendix One

Table One: Special Needs Grants and amount granted for Emergency Housing to Sails Motor Inn Hamilton Limited during the period 1 October 2016 to 28 February 2023, by year.

Notes:

This is a count of grants. A client can have more than one grant in the time period.

The amount granted may not be the same as the amount spent.

Year granted is calendar year. Note 2023 includes up to 28 February 2023.

To protect confidentiality the Ministry of Social Development uses processes to make it difficult to identify an individual person or entity from published data.

These data tables have had random rounding to base three applied to all cell counts in the table.

The numbers one and two will always be rounded to three.

The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals.

The published counts will never differ by more than two counts.

Year of Grant	Grants	Amount Granted
2016	153	\$180,148.00
2017	531	\$716,341.36
2018	276	\$432,302.00
2019	765	\$1,568,238.00
2020	609	\$2,074,785.00
2021	501	\$2,030,620.00
2022	477	\$2,376,302.50
2023	78	\$410,230.00
Total	3,387	\$9,788,966.86

Appendix Two

Table Two: Special Needs Grants and amount granted for Security Deposit Claims to Sails Motor Inn Hamilton Limited during the period 1 October 2022 and 31 January 2023, by month.

Month of Grant	Grants	Amount Granted
October 2022	3	\$1,960.00
December 2022	3	\$5,834.00
January 2023	3	\$2,062.12
Total	9	\$9,856.12