



**MINISTRY OF SOCIAL  
DEVELOPMENT**  
TE MANATŪ WHAKAHIATO ORA

26 September 2023

Tēnā koe

On 7 August 2023, your request to the Ministry of Housing and Urban Development (HUD) was transferred in part to the Ministry of Social Development (the Ministry). You requested, under the Official Information Act 1982 (the Act), the following information:

- *The latest briefings or similar to 1. any minister 2. chief exec or board, on the 'introduction of quality standards for suppliers of Emergency Housing' referred to here -*  
<https://www.beehive.govt.nz/release/emergency-housing-review-next-steps>

On 4 September 2023, the Ministry contacted you to advise more time was required to respond to your request. The reason for the extension was such that the consultations necessary to make a decision on your request could not reasonably be completed in the original time frame.

On 21 September 2023, the Ministry advised you of our decision to grant your request in part.

The Ministry is committed to helping people when they have emergency housing needs. We want the emergency housing system to work better for our clients, emergency housing suppliers and our staff. As such, the Ministry is introducing minimum standards to ensure all whānau have access to suitable accommodation.

The supplier standards set out the Ministry's expectations that people staying in emergency housing receive the same level of service and are treated with the same care and respect as any other paying customer. While suppliers will have the option to choose to opt in, the Ministry expects that all suppliers providing emergency housing should meet minimum standards of suitability, and safety standards set by regulatory agencies.

From 6 November 2023, the Ministry will only grant Emergency Housing Special Needs Grants (EH SNGs) for clients to stay with opted-in suppliers, except in some limited circumstances (such as a lack of vacancies with

opted-in suppliers in a particular location). The Ministry is therefore, encouraging suppliers to opt-in, provided they meet the standards required. Where the Ministry is made aware of any concerns with suppliers meeting the standards, these concerns will be discussed with the suppliers. Failure to address any concerns in a reasonable timeframe can result in the removal of the supplier's opt-in status.

It should be noted that the Ministry's role is to grant EH SNGs for the cost of emergency housing. The contractual relationship is between the client receiving the EH SNG and the emergency housing supplier. As the Ministry is not a party to the contract, we cannot require any supplier to opt-in to the standards.

Please find attached a copy of the following report identified in scope of your request:

- REP/23/6/543 - *Emergency Housing System Review: Welfare programme amendments relating to supplier standards, and minor amendments*, dated 13 July 2023.

To expedite a response, information not concerning quality standards for emergency housing suppliers has been redacted as out of scope. Please contact the Ministry if this was not the intent of your request.

You will note some information has been withheld under section 9(2)(h) of the Act in order to maintain legal professional privilege. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice.

Some staff information has been withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

An excerpt from one additional report has been provided to you below, in accordance with section 16(1)(e) of the Act. This has been done as most of the report contains information outside the scope of your request.

- REP/23/3/181 - *Emergency Housing Reset Implementation Programme: Key updates on MSD-related actions*, dated 21 March 2023.

**Action three, four and five – Mutual obligations:** *MSD is prioritising delivery of setting EH SNG supplier standards (Action 5). We are on track to give effect to the new arrangements from August 2023, pending changes to the Welfare Programme.*

Additionally, two cabinet papers were identified in scope of your request:

- Cabinet paper - *Update on progress with implementing the reset and redesign of the emergency housing system*, dated April 2023.
- Cabinet paper - *Delivering the Emergency Housing Reset and Redesign: Place-based Plan for Wellington and Hamilton and Programme Update*, dated August 2023.

As these papers are due to be published online within the next 8 weeks by HUD, I am refusing your request for this information under section 18(d) of the Act, on the basis they will soon be publicly available.

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'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](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding quality standards for suppliers of emergency housing, 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](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui



Alex McKenzie  
**Policy Manager**  
**Employment and Housing Policy**

# Report



MINISTRY OF SOCIAL  
DEVELOPMENT  
TE MANATŪ WHAKAHIATO ORA

**Date:** 13 July 2023

**Security Level:** In Confidence

**To:** Hon Priyanca Radhakrishnan, Associate Minister for Social Development and Employment

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## Emergency Housing System Review: Welfare programme amendments relating to supplier standards, and minor amendments

### Purpose of the report

- 1 This report provides advice on amendments to welfare programmes that are required so that MSD can deliver on actions from the Emergency Housing System Review. We seek your agreement to forward the report to the Minister for Social Development and Employment for approval.
- 2 This report:
  - provides advice on the approach to implementing Action 5 of the Emergency Housing System Review – new standards for suppliers of emergency housing (refer to **Appendix A** for a summary of advice leading up to, and decisions on, supplier standards)
  - seeks agreement to amend the Special Needs Grants (SNG) Programme, to enable the Ministry of Social Development (MSD) to preferentially grant Emergency Housing Special Needs Grants (EH SNGs) to suppliers that have opted in to the supplier standards
  - Out of scope [REDACTED]
- 3 The report also seeks agreement to three additional minor amendments to the SNG Programme. Out of scope [REDACTED]
- 4 A single legal instrument amending the SNG Programme, and the Flexible Funding Programme (Instrument amending Welfare Programmes (No 2) 2023), is attached for the Minister for Social Development and Employment's signature, subject to her approval.

## Recommended actions

- 1 It is recommended that you:

**Forward** this report to the Minister for Social Development and Employment, for approval.

**agree / disagree**

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Alex McKenzie  
Manager  
Housing Policy

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Date

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Hon Priyanca Radhakrishnan  
Associate Minister for Social Development  
and Employment

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Date

RELEASED UNDER THE OFFICIAL INFORMATION ACT

# Report



**MINISTRY OF SOCIAL  
DEVELOPMENT**  
TE MANATŪ WHAKAHIATO ORA

**Date:** 13 July 2023

**Security  
Level:**

In Confidence

**To:** Hon Carmel Sepuloni, Minister for Social Development and Employment

**CC:** Hon Priyanca Radhakrishnan, Associate Minister for Social Development and Employment

Hon Megan Woods, Minister of Housing

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## Emergency Housing System Review: Welfare programme amendments relating to supplier standards, and minor amendments

### Purpose of the report

- 1 To deliver on Action 5 and 9 of the Emergency Housing System Review, this report:
  - provides you with advice on the approach to implementing Action 5 – new standards for suppliers of emergency housing
  - seeks your agreement to amend the Special Needs Grants (SNG) Programme, to enable the Ministry of Social Development (MSD) to preferentially grant Emergency Housing Special Needs Grants (EH SNGs) to suppliers that have opted in to the supplier standards
  - Out of scope [REDACTED]
- 2 The report also seeks your agreement to three additional minor amendments to the SNG Programme.

### Executive summary

- 3 This report advises you on five different amendments that are required across two separate welfare programmes: the Special Needs Grants (SNG) Programme and the Flexible Funding Programme, so MSD can deliver on actions from the Emergency Housing System Review. A single legal instrument amending the SNG Programme, and the Flexible Funding Programme (Instrument amending

Welfare Programmes (No 2) 2023), is attached for your signature, subject to your approval.

*Changes to enable implementation of the emergency housing supplier standards framework (Action 5)*

- 4 The main focus of this report is on how MSD will implement Action 5, setting supplier standards, including amendments to the SNG Programme and how MSD will operationalise the new framework. Amendments to the SNG Programme will enable MSD to prioritise the granting of Emergency Housing Special Needs Grants (EH SNGs) for clients to stay with emergency accommodation suppliers that have opted in to the new supplier standards framework ('opted-in suppliers').
- 5 In December 2022 Cabinet agreed to amend the welfare programme to implement Action 5, by limiting MSD's ability to make EH SNGs in respect of suppliers unless MSD is satisfied that the supplier meets the standards (except in exceptional circumstances) [CAB-22-MIN-0581.01 refers]. We are recommending that you approve amendments to the SNG Programme that will require MSD to preferentially grant EH SNGs for opted-in suppliers, and limit when it can grant for not opted-in suppliers. MSD will only be able to make an emergency housing grant for a not opted-in supplier when:
  - 5.1 there is no opted-in supplier available that is adequate for the needs of the applicant and their immediate family (including no available opted-in supplier in the area)
  - 5.2 MSD in its discretion considers that a not opted-in supplier would be the most appropriate option; or
  - 5.3 there are exceptional circumstances.
- 6 MSD's approach to operationalising the standards will include:
  - development of an operational framework which sets out the standards, how suppliers can opt in, how MSD will assess suppliers against the standards, and how these will be enforced
  - assessing applications to opt in, based on a signed declaration form and other information MSD may hold
  - assessment of whether a supplier meets the standards, which will be triggered by MSD becoming aware of a potential breach of standards
  - a transitional period, where suppliers can begin opting in to the standards from mid-August 2023, before preferential granting commences on 6 November 2023.

Out of scope

7 Out of scope

Out of scope  
[Redacted text]

*Additional amendments*

8 We recommend making some further minor amendments to the SNG Programme at the same time. Out of scope

[Redacted text]

[Redacted text]

[Redacted text]

[Redacted text]

[Redacted text]

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## Recommended actions

It is recommended that you:

1 **Note** that in December 2022 Cabinet agreed to amend the Special Needs Welfare Programme to implement Action 5 of the Emergency Housing System Review to set standards for EH SNG suppliers [CAB-22-MIN-0581.01 refers]

2 **Agree** to three additional amendments to the Special Needs Grants Programme to:

Out of scope

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**agree / disagree**

3 Out of scope

[Redacted]

[Redacted]

[Redacted]

**agree / disagree**

4 **Approve** and sign the attached Instrument amending Welfare Programmes (No 2) 2023 for which you have authority to do under section 101 of the Social Security Act 2018

**agree / disagree**

5 **Note** that section 101 of the Social Security Act 2018 requires that as soon as practicable the Instrument amending Welfare Programmes (No 2) 2023 must be published and notified with a copy presented to the House of Representatives

6 **Direct** your office to arrange for a copy of the Instrument to be tabled in the House of Representatives, no later than the 16<sup>th</sup> sitting day after you have signed it to comply with the requirements of section 114 of the Legislation Act 2019

**agree / disagree**

7 **Note** that officials will arrange for publication of the Instrument on the Ministry of Social Development's external website and notify the making of the Instrument in the *New Zealand Gazette*, at the earliest opportunity, as required by the Legislation Act 2019.

**agree / disagree**

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Alex McKenzie  
Manager  
Housing Policy

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Date

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Hon Carmel Sepuloni  
Minister of Social Development and  
Employment

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Date

## Welfare Programme changes are required, to implement agreed actions to reset and redesign the emergency housing system

- 13 In December 2022, Cabinet agreed to a set of 10 actions to reset and redesign the emergency housing system [CAB-22-MIN-0581.01 refers]. Welfare Programme changes are required to implement Action 5 and Action 9:
- 13.1 Action 5: Mutual Obligations – Setting standards for EH SNG suppliers, so that they are required to treat Emergency Housing Special Needs Grants (EH SNG) clients like other paying clients, deliver the level of service paid for, and meet some minimum expectations about safety and suitability
- 13.2 Action 9: increasing existing supports for EH SNG clients, including intensive support services, housing brokers, ready to rent programmes and flexible funding, through to 30 June 2024.
- 14 As agreed by Cabinet, changes to the Special Needs Grants (SNG) Programme are required to implement Action 5 to limit the Ministry of Social Development’s (MSD) ability to make EH SNGs in respect of suppliers unless MSD is satisfied that the supplier meets the standards (except in exceptional circumstances). This followed consideration of advice on options<sup>1</sup> to implement EH SNG supplier standards by yourself and the Minister of Housing (refer to **Appendix A** for a summary of advice leading up to, and decisions on, supplier standards).

15 Out of scope



## It is timely to make two further minor welfare programme amendments to resolve known matters

16 Out of scope



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<sup>1</sup> Options included amending the SNG Programme, introducing primary legislation, or contracting with emergency housing suppliers [HUD2022-000885, REP/22/10/1022 refers].

Out of scope



Out of scope

## **Changes to set standards for emergency housing suppliers (Action 5) are focused on delivering fit for purpose emergency accommodation**

- 19 MSD's role in ensuring minimum standards of emergency accommodation is only one part of a wider system of agency oversight. Other checks in place include local authority monitoring of compliance with the Building Code; Fire and Emergency New Zealand assessment of compliance with fire safety and building evacuation regulations; inspections that can be undertaken by Work Safe; and the Government's recently announced review of building regulations for high density accommodation.
- 20 The intention behind creating minimum quality standards for emergency housing suppliers, in summary, is to ensure that MSD clients get the same level of service, and are treated with the same care and respect, as any other paying customer. It is one aspect of emergency housing redesign work, focused on delivering fit for purpose emergency accommodation [SWC-11-SUB-0235 refers].
- 21 The legal authority to enable MSD to prioritise granting EH SNGs for suppliers that have opted in to the supplier standards, will be created through amendments to the SNG Programme, as agreed by Cabinet in December 2022 [CAB-22-MIN-0581.01 refers].
- 22 The changes recommended will establish a tiered system where:
  - 22.1 MSD must grant an EH SNG for a supplier that has opted in to the standards unless an exception (as follows) applies.
  - 22.2 MSD must only grant an EH SNG for a supplier that is not opted in to the standards if MSD determines:
    - there is no opted-in supplier adequate to meet the needs of the client and their immediate family; or

- that a supplier that is not opted in to the standards is the most appropriate option; or
- there are exceptional circumstances.

- 23 The amendments will not override existing policy settings relating to the granting of EH SNGs. MSD will retain the ability to only pay EH SNGs for emergency accommodation that is adequate for the needs of the client and their immediate family in the short term, and only for actual and reasonable costs.
- 24 A legal instrument has been drafted to give effect to these changes. This is attached for your approval and signature, if agreed.

**MSD has developed an approach to how it will implement supplier standards and associated changes to the Special Needs Grants Programme**

- 25 MSD has developed new operational guidance<sup>3</sup> on how it will implement the standards. A framework is being established which sets out the standards, how suppliers can opt in, how MSD will assess suppliers against the standards, and how these will be enforced.
- 26 The key principle underpinning the operational framework is achieving the high level policy intent through limiting payments for opted-in suppliers, while positively contributing to overall outcomes for households needing emergency accommodation.
- 27 Operational guidance on the framework covers:
- 27.1 when MSD can grant an EH SNG for a client to stay with a not opted-in supplier
  - 27.2 the impact on EH SNG eligibility when MSD cannot grant an EH SNG for a not opted-in supplier
  - 27.3 assessing a supplier’s application to opt in to the standards
  - 27.4 assessing a supplier against the standards
  - 27.5 transitional arrangements.

***When MSD can grant an EH SNG for not opted-in suppliers***

- 28 Consistent with the December 2022 Cabinet paper, MSD is limiting the situations when it can grant an EH SNG to a client to stay with a supplier that has not opted in to the standards. MSD will be able to grant to suppliers who have not opted in, in three situations:

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<sup>3</sup> This was developed by an MSD working group and endorsed by an oversight group. The Ministry of Housing and Urban Development has been consulted.

a. **There is no opted-in supplier available that is adequate for needs**

A supplier that is not opted in can be considered if there are no available opted-in suppliers that are adequate to meet the needs of the client and their immediate family.

MSD will use existing operational guidance to determine whether any proposed supplier can be considered adequate. This includes the suitability of the location in relation to the individual circumstances of the client and their immediate family (e.g. if a particular location would prevent a client accessing essential health services or meeting their court conditions, that would not be considered adequate for their needs).

b. **MSD will use discretion if it considers that a not opted-in supplier would be the most appropriate option**

A not opted-in supplier will generally be considered to be the most appropriate option if staying with that supplier contributes to a greater improvement in overall outcomes for the client and their immediate family, and/or helps to manage safety and suitability across EH SNG suppliers available in the area, than an opted-in supplier.

When determining what is the most appropriate option, MSD will consider factors such as:

- Suitability of the not opted-in supplier for the needs of the client and their immediate family (e.g. a client has a child with autism spectrum disorder (ASD). The not opted-in supplier's property is fully fenced with high fencing and an outdoor play area, which would better enable the family to support their child with ASD).
- Impact on the household's financial circumstances (e.g. a not opted-in supplier is located near the hospital, helping to reduce ongoing essential transport costs for a client requiring regular dialysis treatment).
- Any other factors MSD considers to be relevant (e.g. MSD has made a reasonable effort in the circumstances to identify an opted-in supplier that is available and adequate, however, the only option available to meet the client's emergency housing need is a not opted-in supplier).

Any other relevant factors is intended to ensure MSD can continue housing similar cohorts of clients together to help manage safety and suitability across EH SNG suppliers available in an area. Examples of where this practice might be used relate to:

- Ensuring an available and suitable supply of accommodation. For example, if a particular supplier has facilities more suited to a single person or couple (i.e. single room units), then in situations of low supply, that supplier accommodating single people and couples will help ensure that other suppliers with facilities more suitable for families (i.e. multiple room units) are more likely to have availability.

- Safety: to manage safety concerns, a supplier may accommodate a particular cohort, such as households with children, women, and gender diverse people.

The SNG Programme amendments will provide MSD with sufficient discretion to continue to ensure safety and available supply.

**c. There are exceptional circumstances.**

Exceptional circumstances will generally include any circumstances that are unusual and specific to the person and/or situation, and therefore would not otherwise occur. More often than not, exceptional circumstances relating to a client will be covered under the grounds of 'most appropriate for the applicant and their immediate family'. If there are exceptional circumstances not covered by these grounds<sup>4</sup>, MSD can grant an EH SNG for a client to stay at a not opted-in supplier.

***When MSD cannot grant an EH SNG for a not opted-in supplier and impact on EH SNG eligibility***

- 29 In the situation where a client wants to stay at a not opted-in supplier, and MSD determines there are no grounds to grant an EH SNG for the not opted-in supplier, the approach will require that:
- 29.1 a client must have access to at least one opted-in supplier before MSD can decide there are no grounds to grant an EH SNG for a not opted-in supplier<sup>5</sup>
  - 29.2 if the client has access to an available and adequate opted-in supplier and unreasonably refuses to access it, MSD must decline the EH SNG, as it indicates that the client does not have a genuine immediate emergency housing need.
- 30 MSD will mitigate potential risk (to life and welfare of the client and their immediate family) associated with declining a grant for a not opted-in supplier, through:
- 30.1 including guidance to staff that access to at least one opted-in supplier, that is adequate to meet the needs of the applicant and their immediate family, must be available to the client before the EH SNG for a not opted-in supplier is declined

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<sup>4</sup> For example, should MSD be temporarily limited in its ability to administer the policy, such as due to adverse weather events.

<sup>5</sup> Access may include MSD providing a list of opted-in suppliers in the area for the client to contact to check for availability where this is reasonable in their circumstances (e.g. they have the ability to contact opted-in suppliers).

- 30.2 providing discretion around when MSD can pay for a supplier that has not opted in, including ensuring the circumstances of the client and their immediate family (particularly any dependents) are taken into account.

***Transitional arrangements between mid-August and preferential granting commencing on 6 November 2023***

- 31 Subject to your approval, the SNG Programme legislative amendments relating to supplier standards will come into force on **6 November 2023**.
- 32 Between mid-August and 6 November, there will be a transitional period during which suppliers will be able to register and begin the process of opting in to the standards.
- 33 The transitional period will serve to:
- 33.1 minimise disruption to clients already staying in emergency accommodation
  - 33.2 provide suppliers with a reasonable opportunity to understand what the standards framework entails and decide whether to opt in, including making necessary changes in order to meet the standards
  - 33.3 provide MSD with sufficient time to communicate with suppliers and encourage them to opt in
  - 33.4 provide MSD with sufficient time to implement the new application process and IT system solutions, as well as training all frontline staff administering EH SNGs, so they understand the impact of supplier standards on EH SNG eligibility
  - 33.5 provide MSD with sufficient processing time should there be an influx of applications to opt in.
- 34 The standards themselves are expected to be finalised by mid to late July 2023 (a copy of the draft of the standards and the declaration form for suppliers, as at the date of this report, is attached as **Appendix B**).
- 35 Better information will be available to clients (by mid-August) about their expectations and what they can expect from MSD when staying in emergency housing.

***MSD will assess a supplier's application to opt in to the standards based on the declaration and other information that is available***

- 36 As part of the application process to opt in to the standards, a person authorised to act on behalf of a supplier must complete an application form which includes a declaration that they comply with the standards. MSD will need to rely on a supplier's declaration when deciding whether to approve an application (because supplier agreement to be bound by the framework is needed for MSD to be able to impose any obligations on the supplier).
- 37 Relying on the supplier declaration alone carries a risk that MSD might preferentially grant EH SNGs to suppliers that have made a false declaration. To

mitigate this risk, MSD will also consider whether it holds any relevant information about a supplier that may indicate they are unable to meet the standards (e.g. a substantiated complaint about the poor condition of a property).

38 MSD will have discretion to decline an application to opt in. Reasons may include:

- if an application remains incomplete after MSD has advised the supplier (and given them reasonable opportunity to complete it)
- a supplier has made a false declaration
- if MSD has low confidence that a supplier can meet the standards in an ongoing manner (e.g. a history of unresolved complaints).

39 Suppliers that have their application declined may reapply to opt in.

***Assessing a supplier against the standards will be triggered by MSD becoming aware of a potential breach***

40 If MSD becomes aware that an opted-in supplier may be breaching the standards (for example, through receiving an allegation), it will need to assess whether the allegation is substantiated.<sup>6</sup> s9(2)(h)

41 To gather the relevant information MSD will at a minimum discuss an allegation with the supplier and the client (which aligns with the existing complaints process for emergency housing). If MSD cannot gather sufficient information through discussion, it will exercise discretion in deciding whether to also carry out an on-site inspection. MSD will need to obtain the supplier's consent before going on site.<sup>s9(2)(h)</sup>

42 If a breach of the standards is substantiated and the opted-in supplier cannot resolve the breach or is unable to resolve it within a reasonable timeframe, MSD can suspend or remove the supplier's opted-in status.

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<sup>6</sup> Note that not every allegation will result in an assessment; this will depend on the level of severity.

<sup>7</sup> s9(2)(h)

## **There are risks associated with the supplier standards framework**

### *Supplier declaration and enforcement*

- 43 One risk to be aware of is that MSD will need to rely on a supplier's declaration when deciding whether to approve or decline an application to opt in to the standards framework (see para 36). A false declaration by a supplier that they are compliant with the standards may risk the safety, security, and wellbeing of MSD clients. MSD will therefore be considering any additional information it holds on a supplier (e.g. at the local or regional level) that may indicate whether a supplier can meet the standards. While there is potential for false declarations, a mitigating factor is the incentive on suppliers to meet the standards if they wish to retain preferential granting status. Many suppliers rely on EH SNG funding as a guaranteed income stream.
- 44 In a practical sense, the only enforcement MSD can undertake where there is a breach of standards is to suspend or remove a supplier's opted-in status, so there is a risk that MSD may be criticised for not taking stronger action where a standard(s) is not being met. MSD also cannot take any enforcement action in relation to suppliers that are not opted in. However, it can bring safety concerns to the attention of regulating agencies, for example, in relation to fire safety, building safety, or other health and safety concerns.

### *Not opted-in suppliers*

- 45 There is a risk in clients being accommodated with not opted-in suppliers, but there will be times when using a not opted-in supplier is unavoidable, for example, where there are no available opted-in suppliers in an area, or to manage safety and supply issues (see para 28). There will be clear guidance provided to MSD staff on the circumstances when not opted-in providers can be used.
- 46 If MSD is aware that a not opted-in supplier may not provide adequate accommodation (through local and regional knowledge as it does now), then it will not pay for a client to stay there unless there is no other available accommodation. However, there remains a challenge where MSD frontline staff will need to consider paying for emergency accommodation for people with no other options and granting an EH SNG for a not opted-in supplier that is not adequate. In the small number of situations where this could occur, paying for a not opted-in supplier that is not adequate would be short-term and temporary until MSD can find adequate accommodation for the client elsewhere.
- 47 When MSD has been unable to resolve complaints about a supplier in the past (e.g. in Rotorua and Upper Hutt) it has ceased to grant EH SNGs for that

supplier as soon as it is able to move clients somewhere else. Supplier names have been amended in the system to include a 'DO NOT USE' marker.<sup>8</sup>

§9(2)(h)

[Redacted]

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<sup>8</sup> A recent example in Rotorua is marked 'NO NEW EH' in the system (meaning MSD will not pay an EH SNG for any new emergency housing clients to stay there).

<sup>9</sup> §9(2)(h)

[Redacted]

s9(2)(h)

[Redacted]

[Redacted]

[Redacted]

## Two further minor amendments are proposed to the SNG Programme

Out of scope

[Redacted]

57 Out of scope

[Redacted text block]

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Out of scope

[Redacted]

## Next steps

68 If you approve the changes, we will arrange for the signed Instrument amending the SNG Programme and the Flexible Funding Programme to be notified in the *New Zealand Gazette* and published on MSD's website, at the earliest opportunity after they are signed. Your office will arrange to table the amendments in the House of Representatives as required by section 114 of the Legislation Act 2019.

69 The next stages of MSD's work on the Supplier Standards Framework, to be completed by the date the legislative amendments come into effect, include:

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Out of scope

- 69.1 finalisation of the standards, the supplier declaration form for opting in, and framework guidance for suppliers
  - 69.2 completion of guidance for MSD staff administering the framework
  - 69.3 completion of IT system requirements to enable capture of supplier opt-in status.
- 70 Between August and November 2023 MSD will work to:
- 70.1 start onboarding suppliers through the opt in process
  - 70.2 provide guidance to front line staff on the changes to the EH SNG process in relation to supplier standards
  - 70.3 complete IT changes to enable the preferential granting of EH SNG.
- 71 We will provide an update report, after priority granting begins, which will note the levels of supplier opt-in to the supplier standards framework, and any issues encountered so far.

## Appendices

- 72 The Instrument amending Welfare Programmes (No 2) 2023, which amends the SNG Programme and the Flexible Funding Programme is attached for your approval and signature, if you agree.
- 73 A summary of previous decisions on emergency housing supplier standards is attached as **Appendix A**.
- 74 A copy of the draft supplier standards and draft declaration form (as at the date of this report) is attached as **Appendix B**.
- 75 High-level information about the characteristics of people staying in emergency accommodation is attached as **Appendix C**.

File ref: REP/23/6/543

Author: s9(2)(a) , Senior Policy Analyst, Housing Policy

Responsible manager: Alex McKenzie, Manager, Housing Policy

## Appendix A

### Timeline of previous decisions on emergency housing supplier standards

Date	Report	Summary of advice and key decisions
12 August 2022	<p>Further advice on the reset and redesign of the emergency housing system</p> <p>REP/22/7/642 and HUD2022-000252</p>	<ul style="list-style-type: none"> <li>• Ministers agreed to “officials providing further advice on a phased approach to improve the quality of accommodation used for EH SNGs” in conjunction with the framework for contracting and purchasing of motels and support services [Recommendation 8].</li> <li>• The Minister for Social Development and Employment discussed the report with officials on 22 August 2022 and asked for additional advice on:               <ul style="list-style-type: none"> <li>○ improving the assessment and collection of information about client and whānau needs to connect people with the right services/supports, and inform placement decisions into emergency accommodation</li> <li>○ changes to expectations of emergency housing special needs grant (EH SNG) clients, and strengthening mutual expectations or obligations</li> <li>○ changes to the expectations of EH SNG suppliers and ability to hold them to account without a contractual arrangement.</li> </ul> </li> </ul>
8 September 2022	<p>Emergency Housing System Review: Resetting entry pathways and changes to client and supplier expectations</p> <p>REP/22/8/805</p>	<ul style="list-style-type: none"> <li>• This report responded to the request from the Minister for Social Development and Employment on 22 August 2022. Following discussion about this paper, the Minister asked officials for advice on options to ensure EH SNG suppliers treat EH SNG clients like other paying clients, deliver the services paid for, and meet some minimum expectations around safety and suitability.</li> <li>• <u>Summary of advice:</u> The report described a range of steps government could take to strengthen accountability/control over EH SNG suppliers, including about referral/placement, and suitability of accommodation for clients (in Annex 2 of the paper). s9(2)(h) [REDACTED]</li> </ul>
3 November 2022	<p>Final advice on the emergency housing system review</p> <p>REP/22/10/1022 and HUD2022-000885</p>	<ul style="list-style-type: none"> <li>• Ministers agreed to “seek Cabinet approval to implement EH SNG supplier standards via changes to the Special Needs Grant Programme and MSD’s supplier registration and complaints processes” [recommendation 9].</li> <li>• <u>Summary of advice (paras 60 to 65, and Annex C):</u> Officials explored 3 options to implement EH SNG supplier standards as set out in para 63 (changes to</li> </ul>

Date	Report	Summary of advice and key decisions
		<p>SNG Programme, a contract or agreement with EH SNG suppliers, amendment to primary legislation or new legislation). The advice recommended that the best option to meet the policy objective (i.e. clearly expressing Government expectations of EH SNG suppliers and the ability of MSD to act where these are not met), while balancing cost and ability to implement in the next 12 months was to change the Welfare Programme.</p> <ul style="list-style-type: none"> <li>• The paper also set out that where possible officials would seek to align EH SNG quality standards with best practice as outlined in the Code of Practice for Transitional Housing.</li> </ul>
7 December 2022	<p>Implementing the Reset and Redesign of the Emergency Housing System SWC-22-SUB-0235</p>	<ul style="list-style-type: none"> <li>• Cabinet agreed to: <ul style="list-style-type: none"> <li>○ Action 5: Mutual Obligations – Setting standards for EH SNG suppliers, so that they are required to treat EH SNG clients like other paying clients, deliver the level of service paid for, and meet some minimum expectations about safety and suitability” [Recommendation 8.1]</li> <li>○ Make changes to the Special Needs Grants Welfare Programme to implement Action 5 above, to limit MSD’s ability to make EH SNGs in respect of suppliers unless MSD is satisfied that the supplier meets the standards (except in exceptional circumstances) [Recommendation 9]</li> </ul> </li> </ul>

## Appendix B

### Copy of the draft supplier standards and supplier declaration form

#### Emergency Housing Supplier Standards Opt-in Form

If you are an emergency housing supplier and want to opt-in to the Supplier Standards, you'll need to complete this form.

We collect information such as names and contact information for you and your business. If any of these details change, you will need to let us know.

Details about you or your business	1	What is your full name? _____
	2	What is your business' name? _____
	3	What is the name for the premise that you want to opt-in to the Supplier Standards? (if different from above)?
	4	What is the physical address for the premise that you want to opt-in to the Supplier Standards?
	5	What is your MSD supplier registration number?

#### Supplier Standards

By signing this form you are agreeing to meet these standards:

1. The standard of accommodation, access to facilities and amenities, and level of services provided will be the same as for any other paying guest and will be fair for the cost.
2. All people working for or working at the accommodation will:
  - a. treat the client with respect
  - b. respect the client's right to quiet enjoyment of their space
  - c. not disturb or intrude on the client unreasonably
3. The accommodation will include access to clean running drinking water, electricity, heating, bed and mattress, bedding, and toilet and shower facilities.
4. The client will be able to lock their room from the inside and outside.

5. The supplier will make sure the premises, facilities and amenities are clean, tidy, and in a good state of repair throughout the client's stay. Services provided will be of a reasonable standard.
6. The supplier will respond to clients' requests for repairs or maintenance within a reasonable timeframe.
7. The supplier will provide the client with the following information as part of the check-in process:
  - the rules of stay
  - a list of available facilities and amenities and a description of how the client can access them (including any additional charges for use)
  - a list of services provided (e.g. room cleaning, linen replacement)
  - how the client can contact the supplier about any issues or concerns, including during out of hours
  - information about the check-out process (e.g. check-out time).
8. If the supplier requires a security deposit in case of loss or damage, they will :
  - allow the client to use the security deposit process administered by MSD
  - make sure the client has an opportunity during the check-in process to inspect their room with a staff member to note any existing loss or damage
  - make sure the client has an opportunity during the check-out process, and at any other time during their stay, to inspect their room with a staff member. This is so that any loss or damage can be discussed with the client at the time.
9. The supplier will use reasonable efforts to provide the client with accommodation of a size that's suitable for the number of people staying.
10. If a client has specific needs (including but not limited to accessibility needs), and the supplier has agreed to accommodate the client's particular needs, the supplier will make sure the necessary accommodations are in place throughout the client's stay.
11. The supplier will use a fair process to resolve issues between themselves and the client. The supplier will take reasonable steps to resolve issues within a reasonable time.
12. The supplier will be, and will remain compliant with fire safety regulations, including having an evacuation scheme approved by FENZ where one is required.
13. The supplier will hold a valid Building Warrant of Fitness if one is required for the accommodation.

MSD may agree to vary the application of a standard with an individual supplier in circumstances where MSD is satisfied the standard can be met in a different way than that prescribed.

Proposed declaration for request to opt-in form:

Declaration

I, as the person authorised to make this declaration:

1. understand that the above/below named accommodation provider is requesting to opt-in to the standards under MSD's supplier standards framework, and that the accommodation must already be a registered supplier for accommodation with MSD
2. declare that I have read and understand the EH supplier standards, and that the accommodation complies with the EH supplier standards [link/refer to standards]
3. agree that MSD may use information it already holds about the accommodation and may request further information from me/us/the accommodation provider to ensure they are, or remain, satisfied that the accommodation is compliant with the standards. This may include allowing MSD to access the premises, with consent, to assess compliance with the standards.
4. agree to advise MSD as soon as practicable of any changes to the information included in this form, or any other information that may affect compliance with the standards.

By signing this form you are making the above declarations and confirming that the information you have provided is true and complete.

Name (print)

Signature

\_\_\_\_\_

\_\_\_\_\_

Date

Day    Month    Year

\_\_\_\_/\_\_\_\_/\_\_\_\_

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# Appendix C Data on people staying in emergency housing

## Emergency Housing SNGs | May 2023

Emergency housing is short-term accommodation (usually in motels) for individuals who have an urgent need because they are unable to remain in their usual place of residence. It is funded through Special Needs Grants that clients apply for when they cannot access accommodation and we have explored all the other options available to them. Grants can cover between one and 21 nights of accommodation at a time.



Amount granted  
May 2023

**\$31.7M**

\$6M more than last month

Monthly Emergency  
Housing Special  
Needs Grants

**9,777**

2,025 more than last month

Households in  
emergency housing  
as at 31 May

**3,549**

150 more than last month

↳ Adults in emergency  
housing as at 31 May

**3,927**

150 more than last month

↳ Children in emergency  
housing as at 31 May

**3,528**

138 more than last month

**Note:** Households living in Contracted Emergency Housing (CEH) in Rotorua are not included in this reporting. The new model is being piloted in Rotorua. Reporting of the number of households in CEH is currently unavailable.

**Random rounding** has been applied to these figures. Figures in tables may not add up to the total due to random rounding.

### Emergency housing – over the month and historic numbers

1 Grants/clients/amount granted over each month



2 Number of households in emergency housing – as at the end of each month



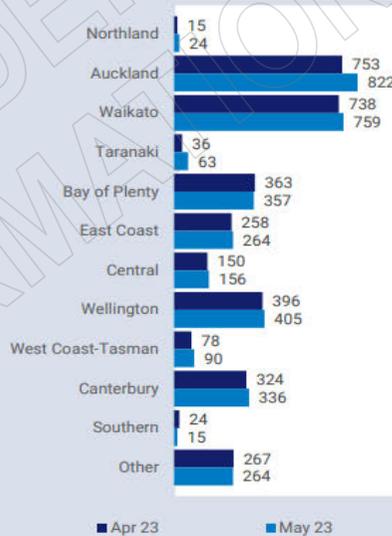
### Commentary

The number of Emergency Housing Special Needs Grants (EH-SNGs) has increased by more than 2,000 since last month. There was \$6 million more granted during May than for April.

This increase is partly due to boarding house closures in Auckland and in Taranaki (where the number of households in emergency housing increased from 36 to 63). Part of the increase can also be attributed to more working (and therefore processing) days being available in May compared to April.

### Emergency housing – at the end of the month

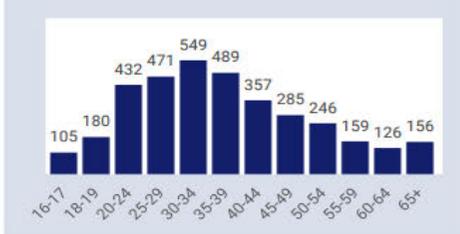
3 Households in emergency housing by MSD region – as at end of the month



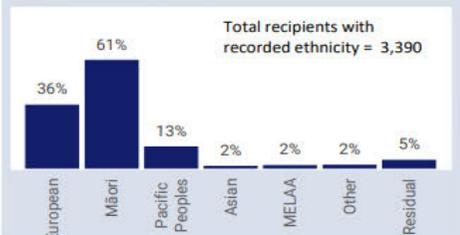
4 Households by duration in emergency housing – as at end of the month



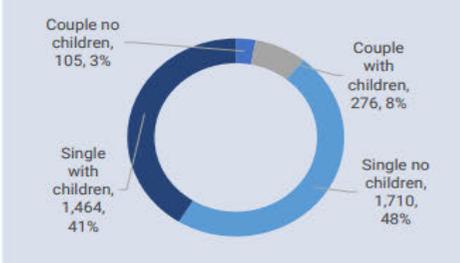
5 Age distribution of primary applicants in emergency housing – as at end of the month



6 Ethnicity\* of primary applicant in emergency housing – as at end of the month



7 Household composition – as at end of the month



## IDI Analysis

### IDI ANALYSIS – ANALYSIS FOR THOSE AGED 16 AND OVER WHO RECEIVED AN EH SNG BETWEEN SEPTEMBER 2016 AND JUNE 2021

#### Acute health, mental health, and addiction needs

- 25 percent of people receiving an EH SNG have had an acute hospitalisation in the previous year. This is higher than the rates of Public Housing and main benefit clients (21 percent and 15 percent respectively), and the general population (8 percent). This indicates that EH-SNG clients may experience barriers to accessing primary health care or other factors leading to acute hospitalisation or higher rates of rehospitalisation.
- More than one in three (39 percent) EH SNG recipients accessed a mental health or addiction service<sup>11</sup> in the previous year. This is a higher rate than for main benefit clients (32 percent), Register clients (31 percent) and the general population (13 percent).
- This finding suggests that this cohort experiences heightened vulnerability including a complex interrelationship between mental health and addiction issues, employment, and housing challenges.

#### Engagement with the criminal justice system

- Thirty-one percent of EH SNG clients had police proceedings against them in the previous year (this was 36 percent for those who received an EH SNG in three or more quarters). This is higher than the rate for Register clients (15 percent) and main benefit clients (10 percent).
- Twenty-three percent of EH SNG clients had an offence<sup>12</sup> (excluding driving). This is higher than the rate on the Register (12 percent) and the main benefit (8 percent).
- Ten percent of EH SNG clients had been in prison in the previous year, a rate higher than that for people on the Register (4 percent) and main benefit clients (3 percent).
- Notably, while the number of EH SNG recipients has grown over time, similar proportions have experienced imprisonment, police proceedings, and having an offence since 2017.

#### Rangatahi/youth and young adults

- A high proportion of EH SNG clients under the age of 30 were identified as experiencing several childhood challenges. These include an Oranga Tamariki care and protection event and involvement with youth justice. In addition, a high proportion were raised in families where the guardian was receiving a main benefit.
- Seventy-one percent of EH SNG recipients under 30 had an Oranga Tamariki care and protection event in their childhood. This is higher than comparable Register clients (61 percent) and main benefit clients (48 percent). Longer-duration EH SNG recipients were even more likely to have had a care and protection event (76 percent).
- 25 percent of EH SNG recipients under 30 had a youth justice interaction, which is much higher than comparable Register clients (16 percent) and main benefit clients (12 percent). People who have received EH SNGs over three or more quarters are more likely to have had a youth justice interaction (30 percent).

<sup>11</sup> Mental health or addiction services include specialist mental health services and pharmaceuticals generally prescribed for mental health and addictions. Note that this definition is different to the previous IDI analysis which is why this percentage is lower than that stated in the July Cabinet paper.

<sup>12</sup> Offence in this context means the individual has been convicted and had a Department of Correction's managed sentence.

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