



14 May 2024

Tēnā koe

### **Official Information Act Request**

Thank you for your request of 26 April 2024, transferred to the Ministry on 7 May 2024 requesting REP/24/1/012 and one memo. I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below.

Please find the following documents attached:

- REP/24/1/012 – Report – *Timelines for Emergency Housing and the Social Housing Register*, dated 18 January 2024
- Memo: *Responding to the questions and notes from Minister Bishop on MSD's initial briefing on the housing system*, date 25 January 2024.

Some information is redacted under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

Other information is withheld under section 9(2)(g)(i) of the Act to protect the effective conduct of public affairs through the free and frank expression of opinions. I believe the greater public interest is in the ability of individuals to express opinions in the course of their duty.

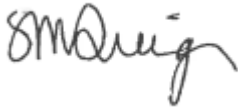
Please note that Annex One of the Memo: Responding to the questions and notes from Minister Bishop on MSD's initial briefing on the housing system has been refused under section 18(d) of the Act, on the basis that it is publicly available. Annex One has been proactively released by DPMC on their website, starting on page 40: <https://www.dPMC.govt.nz/sites/default/files/2024-01/cab-23-sub-0385-iu-report-assignments-15aug23.pdf>.

I will be publishing this decision letter, with your personal details removed, on the Ministry's website in due course.

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 my decision on your request regarding two reports about the Social Housing Register, 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



pp.

Magnus O'Neill  
**General Manager**  
**Ministerial and Executive Services**

# Report



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

**Date:** 18 January 2024

**Security Level:** IN CONFIDENCE

**To:** Hon Louise Upston, Minister for Social Development and Employment

## Timelines for Emergency Housing and the Social Housing Register

### Purpose of the report

- 1 At the agency meeting on 18 December 2023, you asked for further information on Emergency Housing Special Needs Grants (EH-SNGs) and the Social Housing Register. This attached report provides a timeline of key events, policy, and operational changes for EH-SNGs and the Social Housing Register.

### Emergency Housing

- 2 Emergency housing was first established in July 2016, and reporting on the number of distinct clients accessing EH-SNGs became available from October 2016. Before the introduction of EH-SNGs and Contracted Emergency Housing, government assistance for people with an immediate housing need was limited and resulted in debts for those who accessed it.
- 3 The report notes the following events associated with the provision of EH-SNGs since October 2016:
  - From the establishment of emergency housing through to 2020 there was an increase in the number of clients accessing EH-SNGs. This was likely due to a combination of factors including housing market pressures making the private market less accessible and less affordable for those on low incomes<sup>1</sup>, and the full effects of the broadened role of central government in housing support, including increased awareness of the new support available. The 2020 Homelessness Action Plan recognised and aimed to address these pressures<sup>2</sup>.

<sup>1</sup> In September 2020, almost 80 percent of applicants were assessed as unable or highly unable to access alternative housing in the current environment, through priority scoring in the Social Allocation System.

<sup>2</sup> The action plan set out an overarching framework for Iwi, housing and social service providers, government agencies and wider community partners to continue to work together to prevent and reduce homelessness.

- From 2020, the rise in EH-SNGs was largely driven by the effects of COVID-19. COVID-19 level four lockdowns in March 2020 and August 2021 saw more clients accessing EH-SNGs as the government made efforts to urgently accommodate people sleeping rough or in vulnerable accommodation during the pandemic.
- In March 2020, the number of nights an EH-SNG can be granted for was extended from up to seven nights to up to 21 nights at a time.
- Emergency Housing contributions were introduced in October 2020, requiring clients to contribute about 25 percent of their income to the cost of their accommodation after the first seven nights.
- Contracted Emergency Housing was introduced in Rotorua in June 2021. The Ministry of Housing and Urban Development (Te Tūāpapa Kura Kāinga) contracts these providers, which also have attached security and wrap-around pastoral support.
- The Rotorua Housing Accord was signed in December 2022, representing a joint commitment between council, iwi, and government to collaborate in addressing the housing crisis in the area. As of November 2023, there were 66 adults in emergency housing in Rotorua, down from 147 in December 2022.
- The Emergency Housing Review agreed to in December 2022 [CAB-22-MIN-0581.01] included several changes to the emergency housing system, including resetting the EH-SNG referral pathways, improving existing support services, and improving the level of appropriate accommodation. As part of this, the introduction of Supplier Standards in August 2023 has made preferred suppliers of those who opted-in to MSD's standards of fair service.

## Social Housing Register

- 4 Management of the Social Housing Register was transferred from Housing New Zealand to MSD in April 2014. The report shows the number of applications on the Social Housing Register as at the end of each month since August 2015 as well as noting key events and changes. The Social Housing Register includes applications from the Housing Register and the Transfer Register.
- 5 Since 2015 the growth in the Social Housing Register has been driven by priority A clients, while the number of Priority B clients has been largely unchanged.
- 6 The report notes the following events associated with the management of the Social Housing Register since August 2015:
  - Reporting first becomes available following the management of the Public Housing Register being transferred from Housing New Zealand to MSD in 2014<sup>3</sup>.

<sup>3</sup> Data on social housing need was previously stored in Housing New Zealand's Kotahi Northgate system. The transfer of client records to MSD's CMS system was completed in August 2015.

- Changes to the management of the Register in January 2016 encouraged clients to consider properties within a wider geographic area<sup>4</sup> and discouraged clients from declining an offer of housing if they did not have 'good and sufficient reason', by removing them from the Register for 13 weeks<sup>5</sup>.
  - Changes to the Needs Assessment criteria in November 2016 meant that the Social Allocation System (SAS) placed a higher priority on new clients that do not currently have adequate housing, including those staying in emergency or transitional housing. This shift effectively increased the prioritisation of people in unstable housing scenarios, such as emergency housing, by on average two priority points (an A16 would become an A18).
  - Periodic tenancy reviews, which ensure tenants still qualify for social housing and the property remains appropriate to their needs, were paused in March 2018 while exemption criteria were reconsidered by the government of the day. Following Cabinet agreement, Tenancy Reviews are scheduled to recommence for those paying at or near market rent from March 2024.
  - In response to the COVID-19 lockdowns, the pause on tenancy reviews was extended in March 2020 to avoid creating uncertainty for tenants. Register management, including new applications, 90-day notices, evictions, and non-essential placement activity was also paused at this time.
  - In May 2021, active management of the Register through enhanced outbound calling was restarted, ensuring information about a clients' housing needs is up to date.
  - The 2022 Budget initiative provided MSD with additional funding of \$11.725 million over four years to improve management of the Social Housing Register and better support clients with a serious housing need.
- 7 MSD publishes monthly reports to track ongoing trends in the number of clients accessing EH-SNGs and on the Social Housing Register. These reports contain further detail around duration, household composition and other demographics. This month's report outlining December trends was supplied to your office on 17 January 2024 and is published on the MSD website.<sup>6</sup>

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<sup>4</sup> Where geographically possible, clients were required to select three letting areas where they wanted to live as part of their application. MSD may also include a nearby letting area to open clients up to a greater number of suitable properties.

<sup>5</sup> Previously, applicants had been able to decline up to three housing offers without consequence.

<sup>6</sup> MSD's monthly housing reporting is available online at [www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/monthly-housing-reporting.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/monthly-housing-reporting.html)

## Recommended actions

*It is recommended that you:*

- 1 note** the key events, policy changes and operational changes for emergency housing (Appendix one) and the Social Housing Register (Appendix two)
- 2 note** that your office received MSD's December monthly housing report that includes details of EH-SNG uptake on 17 January 2024
- 3 agree** to arrange for your office to forward a copy of this report to your colleagues the Minister of Housing and the Associate Minister of Housing (Social Housing) for their information.



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Sacha O'Dea  
Deputy Chief Executive  
Strategy and Insights

**Agree / Disagree**

18/1/24

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Date



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Hon Louise Upston  
Minister for Social Development and  
Employment

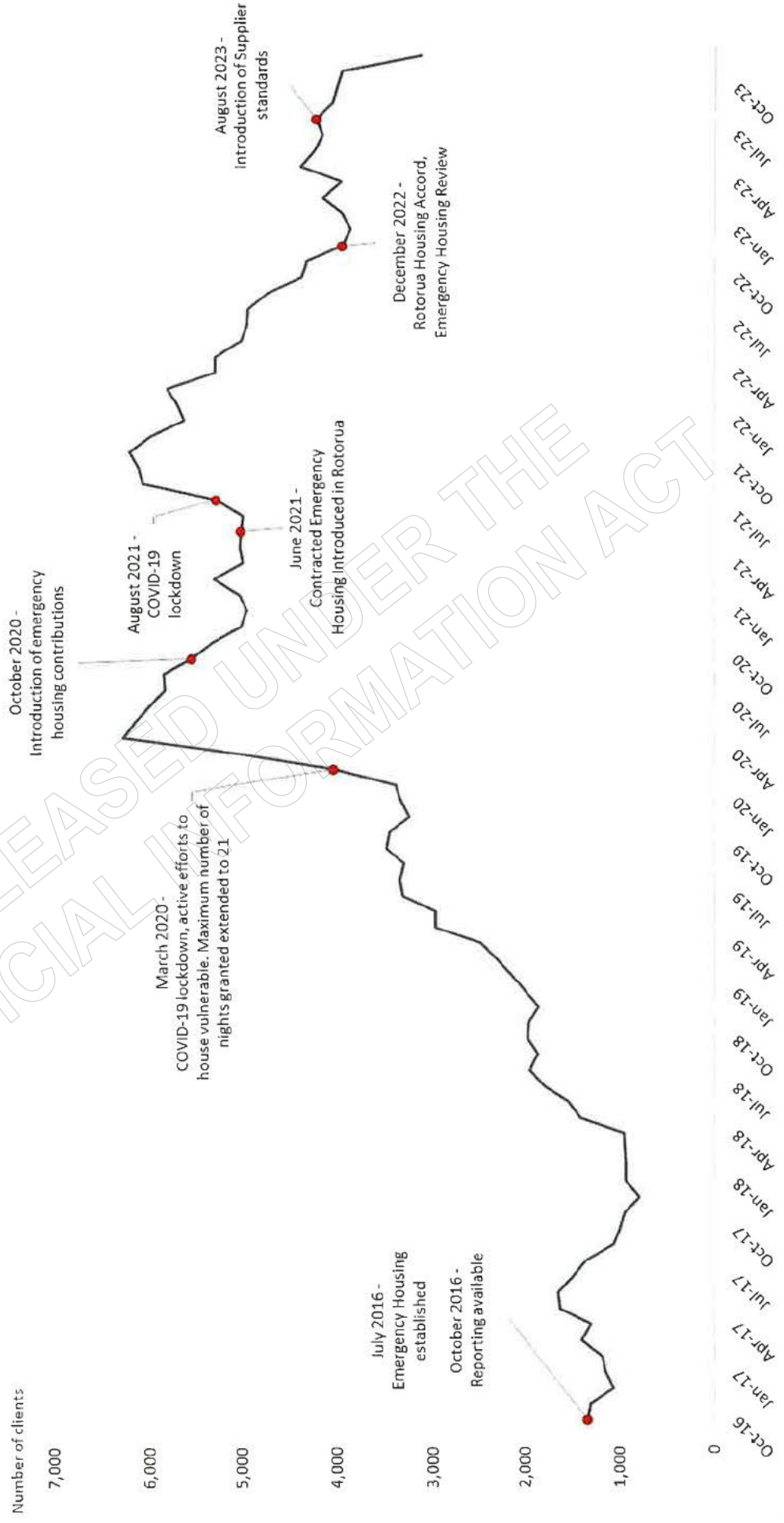
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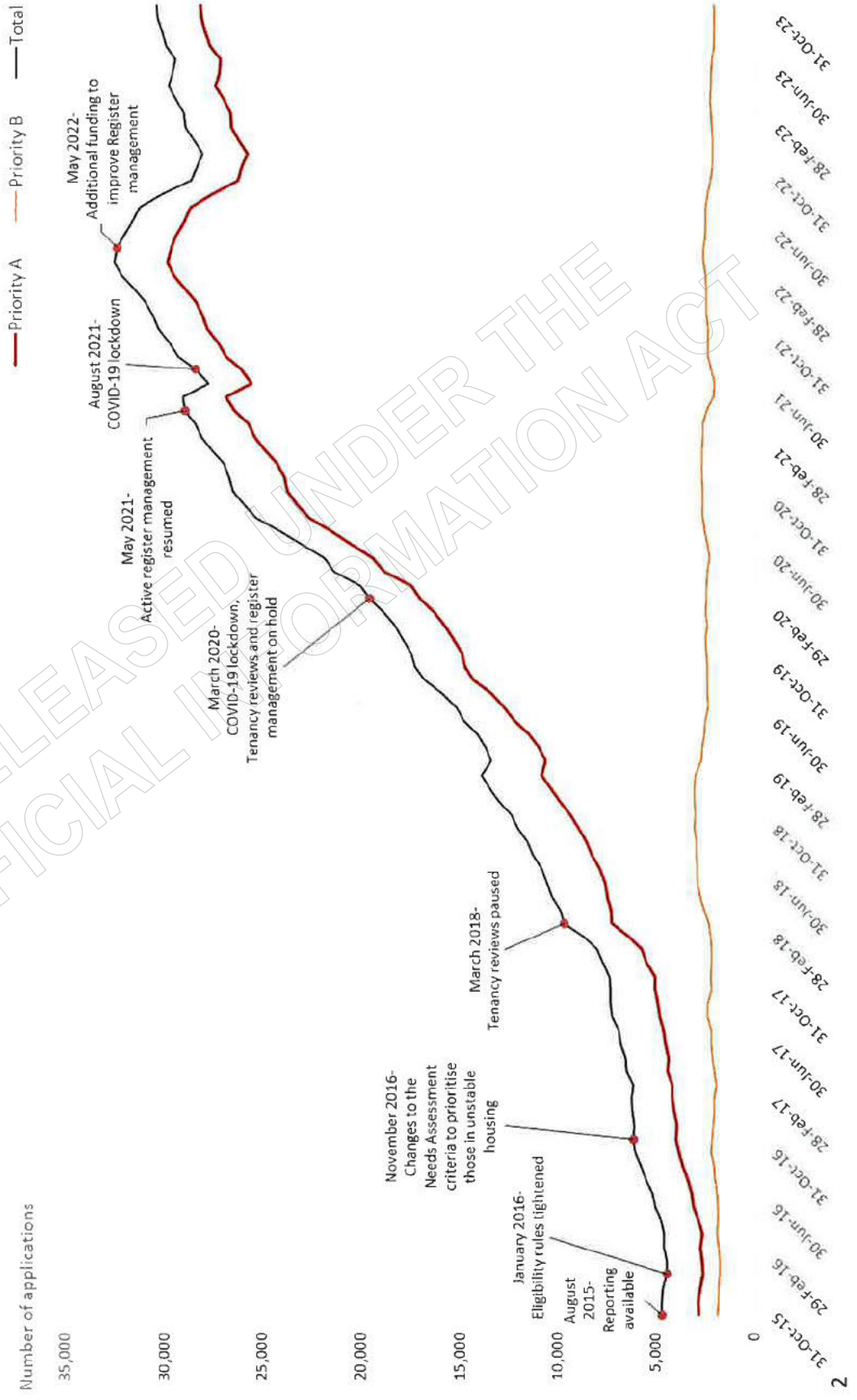
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# Appendix one: Timeline of key events, policy and operational changes for Emergency Housing Special Needs Grants (EH-SNGs)

Monthly number of distinct clients



# Appendix two: Timeline of key events, policy and operational changes for the Social Housing Register Social Housing Register Applications as at end of month, by priority





# Memo



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

**To:** Caitlin Hoskin, Private Secretary, Office of the Minister of Housing

Julia Bergman, Private Secretary, Office of the Minister for Social Development and Employment

**Date:** 25 January 2024

**Security level:** IN CONFIDENCE

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## **Responding to the questions and notes from Minister Bishop on MSD's initial briefing on the housing system**

**Action:** For information

### **Purpose of this memo**

- 1 This memo provides responses and information to the questions and notes from Minister Bishop on MSD's briefing on the housing system [REP/23/11/895 refers].

### **Funding for a number of support services roles, products and services is due to expire on 30 June 2024**

- 2 Investment in emergency housing support services, alongside housing support products, is a critical lever required to give clients in EH the tools they need to access and sustain permanent housing, and contribute to the reduction in the number of people in emergency housing and the use of motels for EH purposes.
- 3 Time-limited funding allocated through Budgets 2019 and 2020 (for the Homelessness Action Plan) introduced new initiatives and extra funding for people receiving an Emergency Housing Special Needs Grant. This included more intensive support services, the Ready to Rent Programme, and Housing Brokers.

- 4 Evaluations have found that the initiatives have been successful in providing holistic support and obtaining longer-term housing for households<sup>1</sup>. Households, frontline staff, and key stakeholders (e.g., property managers and landlords) have noted the success of the programmes.
- 5 As advised in the Initial Briefing on the Housing System (REP/23/11/895 refers), funding is due to expire on 30 June 2024. These support services, roles, and products with time limited funding to 30 June 2024 include:
- **Integrated Services Case Managers (ISCMs):** a single, consistent point of contact and one-on-one support who focus on entitlements and access to services. These roles provide more intensive support for clients with complex needs. The introduction of the role recognises the level of support required for the complexity of the client cohort, who in many instances were spending longer in receipt of an EH SNG.
  - **Contracted Navigator and Support Services:** coordinate across community, health, and government services to provide wrap-around support to families with children/whānau. ISCMs and Navigator Support Services were developed as an intensive, personalised, single point of contact support which can help clients improve their ability to get ready for housing stability.
  - **Case Managers:** Case Managers administer benefits, include the EH SNG client contribution and support people into jobs.
  - **Flexible Funding:** last resort and non-recoverable assistance to families/whānau with children to meet the additional costs of education, early childhood, and wellbeing needs of children that result from living in emergency housing (such as after school programmes). Flexible Funding is intended to help families with children in EH with a range of needs where other government support is not available and helps limit and mitigate the impacts on families that are living in EH. It funds a range of educational and extracurricular activities that ensure children can stay engaged with school or early childcare and participate in activities that increase their wellbeing.
  - **Housing Brokers:** work to increase connections between MSD clients seeking a tenancy, private landlords, property managers, and the wider rental market to support people into suitable and sustainable private rental accommodation. Housing Brokers also support providers that run Ready to Rent programmes and ensure that people are aware of their full entitlements to housing-related financial assistance to assist them to access and retain private rental properties. The expanding of housing broker services allowed them to work in both the prevention space and

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<sup>1</sup> See the Housing Brokers and Ready to Rent initiatives: process evaluation report for the Ministry of Social Development: <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/research/housing-brokers-and-ready-to-rent-initiatives-process-evaluation/hbrr-report-process-evaluation-report-final-with-isbn.pdf> and The Intensive Case Manager and Navigators Initiatives Evaluation Report: <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/intensive-case-management-and-navigator-initiatives/icm-evaluation-report.pdf>

with clients already in receipt of an EH SNG.

- **Ready to Rent:** an internationally recognised and standardised programme intended to equip clients with the skills and confidence to gain and sustain private rental accommodation. The programme is aimed at increasing the opportunity for people in emergency or insecure housing to be chosen as tenants and gain homes in the private rental market. It is run by community providers contracted by MSD. The programme prepares course participants for the private rental market covering things such as caring for the property and their rights and obligations as a tenant. Course participants are viewed favourably by landlords and property managers, giving course graduates a better chance of securing a private rental.

6 The support services, roles, and products with funding due to expire on 30 June 2024, and a high-level breakdown of the associated costs, is as follows:

<b>Initiative</b>	<b>Cost for 2023/24 FY (allocated from previous Budget bids)</b>
<b>Integrated Case Managers</b> – a single, consistent point of contact and one-on-one support who focus on entitlements and access to services	\$13,312,142
<b>Contracted Navigator and Support Services</b> – connects clients with multiple and complex needs with services across government and the community	\$15,240,000
<b>Case Managers</b> – responsible for administering entitlements and the client contribution towards EH costs	\$3,130,000
<b>Flexible Funding</b> – last resort and non-recoverable assistance to families with children in emergency housing to meet costs of education, early childhood and wellbeing needs of children	\$3,000,000
<b>Housing Brokers</b> – increase connections between MSD clients seeking a tenancy, private landlords, property managers and the wider rental market	\$5,555,496
<b>Ready to Rent Programmes</b> – internationally recognised courses intended to equip clients with the skills to gain and sustain private rentals	\$1,500,000

## Has further advice on the housing system been provided to the Minister?

7 Minister Bishop asked whether further advice on a range of topics has been provided to the Minister for Social Development and Employment. The timetable for further advice is set out below:

7.1 **further advice on the purpose of social housing, who it should be for and how it should be allocated:** we have not provided this advice and we propose to discuss the timing with Ministers. Our current focus is on providing advice and implementing the 100-day commitment to provide a priority one category for emergency housing clients on the Social Housing Register.

7.2 9(2)(f)(iv)

9(2)(f)(iv)

On 25 January 2024, we provided the Minister of Housing with advice on the changes to the Ministerial Direction that are required to recommence tenancy reviews and sought agreement that we consult with two Community Housing Providers on the proposed amendments to the Direction [REP/23/12/912 refers].

7.3 **further advice on Accommodation Supplement geographical boundaries:** a report titled 'Advice on responding to the Petitions Committee recommendation to rezone Accommodation Supplement eligibility for Queenstown residents' was sent to the Minister for Social Development and Employment on 20 December 2023 with a recommendation that the report is forwarded to the Minister of Housing for their information [REP/23/12/940 refers]. In response, the Minister for Social Development and Employment has directed officials to develop further advice on changes to the Accommodation Supplement, including advice on updating the area boundaries. We have provided a report to the Minister for Social Development and Employment seeking direction on the scope of the further advice and have suggested that this be discussed at the next Housing Ministers' meeting. We have recommended that this report be forwarded to the Minister of Housing and the Associate Minister of Housing [REP/24/1/041 refers]. The Government's response to the recommendations of the Petitions Committee will need to be approved by Cabinet in March 2024.

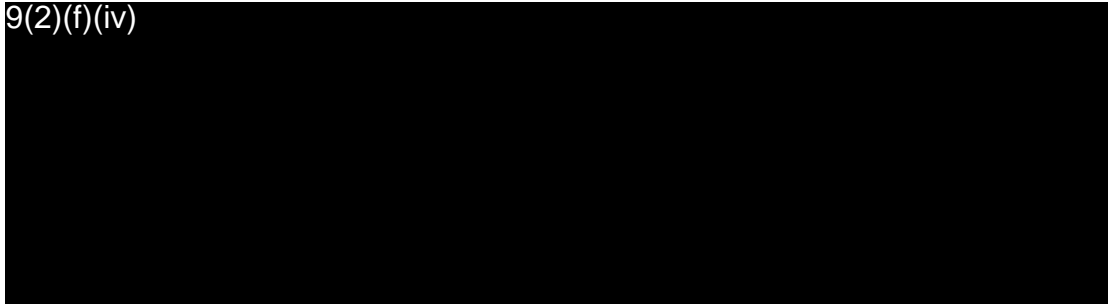
The further advice on the Accommodation Supplement will note that MSD commissioned Motu Economic and Public Policy Research (Motu) to examine whether the 2018 increases to the Accommodation Supplement contributed to an increase in rents. The study found that long-term trends for the country showed no noticeable change in overall average rents around the 2018 changes, or around the previous 2005

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<sup>2</sup> From 25 March 2024, MSD will be re-starting tenancy reviews for social housing tenants who have held a tenancy for at least three years and are currently paying the market rent.

adjustment. Increases to the Accommodation Supplement do not appear to be an important driver of the growth in rents that is occurring<sup>3</sup>.

7.4 s9(2)(f)(iv)




## Why is the level of placement from Emergency Housing into Social Housing approximately 20 percent?

- 8 The Social Allocation System (SAS) assessment considers the applicant's full circumstances including, but not limited to, their current living situation. Therefore, where a person is not in EH but experiences multiple other barriers (e.g., affordability, accessibility, discrimination) it is possible that an applicant not in EH may receive higher priority than EH clients whose other needs are generally more moderate.
- 9 Placement into social housing is not only dependent on the applicant's priority rating. Applicants with high priority ratings can experience delays in being placed if there is limited social housing that meets their assessed needs in terms of location, bedrooms, configuration and any accessibility requirements.
- 10 Social housing providers also consider the suitability of the applicant in terms of their fit with the community when making placement decisions. Applicants with high and complex needs, including many people in emergency housing, who have a need for ongoing support and services in order to be able to sustain social housing (or other housing options) may be less likely to be placed if those services and support are not available.
- 11 There is currently an imbalance between social housing stock (which is predominantly comprised of three-bedroom properties) and the configuration of demand on the register (as at September 2023, 80 percent of applicants on the Social Housing Register required a one- or two-bedroom property), including from those in EH. Placing applicants in social housing that is not a good fit for their needs can lead to over-crowding or under-utilisation of stock depending on the circumstances.
- 12 There is a high proportion of placements into newly available social housing consumed by Kāinga Ora's Business Initiated Transfers (BITs). The share of new houses Kāinga Ora allocates to BITs has increased from 26 percent of placements in 2020 to 45 percent in April 2023<sup>4</sup>. BITs are considered necessary to support redevelopment activity, and address the over-crowding and under-utilisation of social housing properties.

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<sup>3</sup> s9(2)(g)(i)



<sup>4</sup> *Stocktake of the Public Housing Register*, DPMC, 23 June 2023, pages 7-8.

## **Minister Bishop requested a copy of the 2023 Department of the Prime Minister and Cabinet (DPMC) Review of the issues in the social housing system**

- 13 Please see a copy of the Briefing: Stocktake of the Public Housing Register in **Annex One**. We have consulted DPMC and received their agreement to provide the report to Minister Bishop.

## **How many lifetime tenure tenancy agreements are there with Kāinga Ora and why do these lifetime tenures exist?**

- 14 Lifetime tenure is when Kāinga Ora has taken over a property from either a local authority, council controlled organisation or a council-controlled trading organisation (as defined in the Local Government Act 2002) and made a commitment to allow the tenant to stay in the property for the rest of the tenant's lifetime. We are advised by Kāinga Ora that in 2019 there were 91 lifetime tenancies. We have requested an update of this figure.

## **More information requested on homeowners receiving the Accommodation Supplement (AS)**

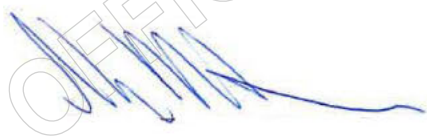
- 15 Homeowners can claim the AS to help with their housing costs (including mortgage, rates, insurance and essential repairs). To be eligible for the AS, a household must meet a cash asset test, while non-beneficiaries and superannuitants must also meet an income test. Homeowners must have housing costs that exceed 30 percent of their income and their cash assets must be less than:
- \$8,100 for a single person
  - \$16,200 for a sole parent, or a married, civil union or de facto couple.
- 16 At the end of December 2023, 366,426 people were receiving the AS and 36,969 of those were homeowners who received an average AS of \$117 per week and their average weekly housing costs were \$462. Of the 36,969 homeowners, 13,582 were non-beneficiaries (ie lower income working households) and 7,463 were superannuitants. The remainder were beneficiary households.
- 17 The number of superannuitant homeowners who receive the AS reflects the growing number of older New Zealanders who have not paid off their mortgage. Significant increases in the cost of local authority rates, insurance and mortgage rates in recent years also means that a growing number of older homeowners on a fixed income (ie the pension) are struggling to meet their weekly housing costs.
- 18 For beneficiary households, some of these will be homeowners who have lost their job and rely on a social security benefit for a period, before finding new employment. For these people, the AS plays an important role in maintaining home ownership during a spell of unemployment.

## **Why are Business Initiated Transfer applicants placed in social housing before clients on the Social Housing Register?**

- 19 We understand that advice has been commissioned on Business Initiated Transfers directly from Kāinga Ora by your office. The response to this question will be covered in that advice.

## MSD has been implementing a new approach to Social Housing Register management

- 20 As advised [REP/23/11/895 refers], MSD has implemented the first phase of its Social Housing Register management strategy. The refreshed approach to Register management has seen MSD make more frequent contact with applicants, allowing MSD to confirm their ongoing need for social housing. This has contributed to Social Housing Register decreases over 2022/23 through the removal of a significant number of applicants that no longer require social housing.
- 21 An overview of Social Housing Register exits for the period 31 January 2022 – 31 December 2023 is attached as **Annex Two**. 9(2)(g)(i)  
9(2)(g)(i)
- 22 MSD is responsible for assessing eligibility for social housing and maintaining the Social Housing Register. 9(2)(g)(i)  
9(2)(g)(i)
- 23 MSD has identified a range of issues with the operation and management of the Social Housing Register. These issues were confirmed in the DPMC review in 2023 (attached as **Annex One**). While there may be a small number of practical changes that could be made in the short-term, improving the performance of the register will require concerted inter-agency consideration. It is likely that officials will need to explore these issues in further detail to ensure that solutions are aligned with the priorities of the new Government.



26 January 2024

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Alex McKenzie  
Manager, Housing  
Policy

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Date

Author: Josiah Banbury, Policy Analyst, Housing Policy, MSD; Janelle Anselmi, Senior Advisor, Service Delivery, MSD

# Annex Two:

## Social Housing Register Exits 2022/23

Month	New applications onto the register	Housed in public housing	Register exits – for other reasons	Total exits	Priority A and B applications live on the register
As at 31 December 2023	1,506	861	831	1,692	30,507
As at 30 November 2023	2,115	753	1,125	1,878	30,579
As at 31 October 2023	1,917	732	1,230	1,962	30,525
As at 30 September 2023	1,929	654	1,338	1,992	30,294
As at 31 August 2023	2,268	756	1,227	1,983	30,111
As at 31 July 2023	1,755	633	804	1,437	29,619
<b>Total</b>				<b>10,944</b>	
As at 30 June 2023	1,983	648	822	1,470	29,745
As at 31 May 2023	2,220	612	891	1,503	29,952
As at 30 April 2023	1,521	501	588	1,089	29,535
As at 31 March 2023	1,770	519	1,466	1,985	29,154
As at 28 February 2023	1,176	366	1,758	2,124	29,064
As at 31 January 2023	1,446	381	1,437	1,818	28,668
<b>Total</b>				<b>9,989</b>	
As at 31 December 2022	1,479	615	1,575	2,190	28,167
As at 30 November 2022	1,587	750	1,701	2,451	28,500
As at 31 October 2022	1,509	486	1,338	1,824	28,758
As at 30 September 2022	1,605	639	1,323	1,962	30,237
As at 31 August 2022	1,776	576	1,278	1,854	31,428
As at 31 July 2022	1,521	528	1,116	1,644	31,737
<b>Total</b>				<b>11,925</b>	
As at 30 June 2022	1,491	525	795	1,320	32,172
As at 31 May 2022	1,701	624	693	1,317	32,535
As at 30 April 2022	1,779	531	708	1,239	32,700
As at 31 March 2022	1,893	546	1,032	1,578	32,277
As at 28 February 2022	1,593	450	1,050	1,500	31,653
As at 31 January 2022	1,338	342	900	1,242	31,128
<b>Total</b>				<b>8,196</b>	