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**KEI MUA I TE AROARO O TE RŌPŪ WHAKAMANA  
I TE TIRITI O WAITANGI  
BEFORE THE WAITANGI TRIBUNAL**

**WAI 2750**

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**IN THE MATTER OF**                    **the Treaty of Waitangi Act 1975**

**AND**

**IN THE MATTER OF**                    **Kaupapa inquiry into claims concerning  
Housing Policy and Services**

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**CROWN BUNDLE OF EVIDENTIAL FACT SHEETS FOR  
TE MANATŪ WHAKAHIATO ORA –  
MINISTRY OF SOCIAL DEVELOPMENT  
5 Poutū-te-rangi | March 2021**



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**EVIDENTIAL FACT SHEET  
ACCOMMODATION SUPPLEMENT  
(TE MANATŪ WHAKAHIATO ORA –  
MINISTRY OF SOCIAL DEVELOPMENT)  
5 Poutū-te-rangi | March 2021**

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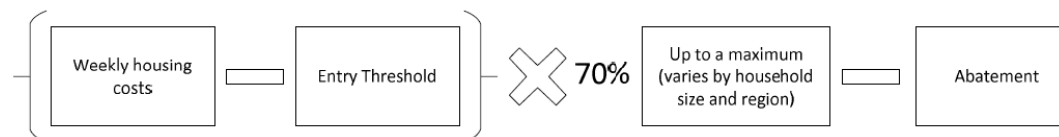
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1.	<b>Basic information</b>	<p><b>Title of policy / programme:</b> Accommodation Supplement (<b>AS</b>)</p> <p><b>Year introduced:</b> 1993</p> <p><b>Still current?:</b> Yes</p> <p><b>Administering agency(ies):</b> Ministry of Social Development (<b>MSD</b>) (formerly Department of Social Welfare (<b>DSW</b>))</p> <p><b>High level summary of policy/programme:</b></p> <p>AS is the government's largest investment in private sector housing subsidies. AS is a non-taxable benefit that provides assistance towards accommodation costs for households of all tenure types (renters, boarders, homeowners) with low-middle incomes. Both beneficiaries and non-beneficiaries can qualify for AS. It is one part of the wider income support system designed to provide low-middle income households with adequate income for the cost of living.</p> <p>In 1993, AS replaced the Accommodation Benefit which had similar characteristics and the HCNZ subsidy for public housing tenants.</p> <p><b>Other agencies involved in development, implementation, or ongoing administration:</b></p> <p>Development was carried out by an interagency accommodation supplement working group and included the Treasury and the Inland Revenue Department.</p> <p>MSD is the lead agency in implementing and ongoing administration.</p>
2.	<b>Description of Policy / Programme</b>	<p>The AS is a non-taxable benefit that provides assistance towards accommodation costs for households with low-middle incomes.</p> <p>Both beneficiaries and non-beneficiaries can qualify for AS as it is one part of the wider income support system designed to provide low-middle income households, both beneficiaries and non-beneficiaries, with adequate income to meet the cost of living.</p> <p>The AS plays a role in helping households to access and sustain affordable housing in the private market and also provides support for tenants exiting public housing.</p> <p><u>How the AS works</u></p> <p>The amount a person can receive through the AS depends on their actual accommodation costs. For a person receiving an income tested main benefit, the value of the payment is 70% of their weekly accommodation costs above an entry threshold. The</p>

amount of the entry threshold differs according to the type of benefit, the number of dependent children and the type of housing tenure. The overall amount payable cannot exceed a maximum rate which differs according to family size and also region.

*The AS Formula*



Abatement occurs only for non-beneficiaries, where every dollar of income earned over the income threshold reduces the subsidy by 25 cents. Superannuitants must have income below a specified limit. Cash assets over certain thresholds are also treated as income for non-beneficiaries (for every \$100 over the thresholds, \$1 of income is added).

*More information on how the AS works can be found at [Accommodation Supplement \(workandincome.govt.nz\)](http://workandincome.govt.nz)*

AS population by tenure type, benefit status and family type as at the end of November 2020

	All	Proportion of recipients (%)
<b>Total</b>	369,471	100%
<b>Tenure type</b>		
Renters	249,645	67%
Boarders	80,237	22%
Homeowners	39,589	11%
<b>AS households by benefit status</b>		
Beneficiary	252,465	68%
Non-beneficiary	70,577	19%
NZS/VP <sup>1</sup>	46,429	13%

<sup>1</sup> NZS/VP = New Zealand Superannuation / Veterans Pension.

3.	<p><b>Outline of the process to develop this Policy / Programme</b></p>	<p>AS was introduced by the fourth National Government in 1993. It was part of the wider reform of housing assistance undertaken in the early 1990s (discussed further below). All demand-side housing assistance was paid via the AS, public housing tenants were progressively moved from subsidised rents to market rents, which were subsidised by the AS (if they were eligible), the public housing portfolio was transferred to a new State Owned Enterprise and managed on a commercial basis, and the subsidised mortgages of the Housing Corporation were progressively increased to market rates and the portfolio sold to the private market. For context see: <i>A Statement of Government Policy on Housing and Accommodation: Accommodation Assistance</i>, Honourable John Luxton (Housing Minister) in 1991</p> <p>The AS was broadly based on the design of the then existing Accommodation Benefit. The AS was introduced with an aim to create equity between public housing tenants and private market households. Prior to the introduction of the AS, public housing tenants paid an income-related rent which was more generous than the Accommodation Benefit which private market households could receive.</p> <p>With the introduction of the AS, income-related rent for public housing tenants and the Accommodation Benefit for private market households were both replaced. As a result of the changes, the majority of public housing tenants were worse off and Accommodation Benefit recipients were better off (for more detail, see <i>A Statement of Government Policy on Housing and Accommodation: Accommodation Assistance</i>, Honourable John Luxton (Housing Minister) 1991).</p> <p>Reform of Social Assistance (early 1990s)</p> <p>As noted above, the AS was introduced as part of the Reform of Social Assistance work that was undertaken in the early 1990s. The policies were designed through a working group comprised of DSW, Housing Corporation New Zealand (HCNZ) (as it then was), the Treasury and the Department of the Prime Minister and Cabinet (DPMC). The Working Group considered a number of options around the design of the subsidy including the eligibility criteria, the subsidy rate, the asset test, abatement regime and a number of other design features. DSW used administrative data on Accommodation Benefit recipients and data held by HCNZ on public housing tenants to support the housing reforms.</p> <p>As at 30 June 1990, DSW provided assistance to 106,431 clients through the accommodation benefit costing \$120.57 million. The average value of the benefit per client was \$21.78 per week. (NB this is equivalent to \$39 today adjusted for inflation; \$126 adjusted for current cost of housing).</p> <p>HCNZ at that time had 69,500 rental units, of which 67,500 were tenanted. Around 4,500 tenants were paying market rent, the remainder were subsidised through HCNZ.</p> <p>Families receiving rental assistance through HCNZ received an average subsidy of \$70 per week. By contrast, families in similar</p>
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		<p>circumstances on the Accommodation Benefit receive an average of just under \$22 per week for properties rented in the private sector.</p> <p>Because the subsidy rate was set at 65% of accommodation costs above the entry threshold, most Accommodation Benefit recipients were better off with the introduction of AS (where the subsidy of the AB was 50%), and HCNZ tenants were worse off (since their effective subsidy has been reduced from 100% to 65% above the entry threshold).</p> <p>The modelled impact of the changes showed approximately 66,100 HCNZ tenants were worse off and 900 better off. Among Accommodation Benefit recipients, 18,400 were worse off, 63,500 were better off and 25,000 experienced no change. Approximately 84,400 households who were not receiving an assistance would be better off.<sup>2</sup></p> <p>While the policy is seen to have negatively impacted many low-income households in public housing, the aims of AS included promoting more efficient use of housing resources, reducing the waiting list for state housing, improving fairness and allowing consistent treatment of clients (between public housing and private market), creating greater freedom of choice and incentives to keep accommodation costs down.</p> <p>In 2006 Housing New Zealand and MSD developed a stakeholder engagement plan for the review of the AS in an attempt to gather feedback to support further policy development. The plan acknowledged the perception that engagement with iwi is “insufficient or inadequate” and sought to develop an appropriate engagement approach for iwi, pacific peoples, and people in the disabled community. However, there is no evidence that a finalised engagement plan was ever developed.</p> <p>MSD has been unable to find evidence that targeted engagement and consultation with Māori, iwi or Māori interests groups occurred in the development of Accommodation Supplement policy.</p>
4.	<b>Aims or Objectives of the Policy / Programme</b>	<p>At the time of its introduction (in 1993), AS was intended to:</p> <ul style="list-style-type: none"> <li>• Assist all low-income households with their housing costs, regardless of their housing tenure</li> <li>• Promote efficient functioning of the rental market and more efficient use of housing resources</li> <li>• Encourage supplier competition to minimise shortages and prices pressures</li> <li>• Make the cost of housing subsidies transparent</li> </ul>

<sup>2</sup> Progress Report of the Accommodating Supplement Working Group, 14 May 1991 [PMR (91) 52].

		<ul style="list-style-type: none"> <li>• Reduce the waiting list for state housing</li> <li>• Improve sensitivity to family composition and location</li> <li>• Direct assistance to those most in need</li> <li>• Improve fairness and allow consistent treatment of clients (between public housing and private market)</li> <li>• Create greater freedom of choice and incentives to keep accommodation costs down</li> </ul> <p>AS was targeted at low-income households with relatively high accommodation costs of all tenure types (renters, boarders, homeowners) compared to their income. It aimed to reduce housing-related stress for those households.</p>
5.	<p><b>Outline of steps taken to implement the Policy / Programme</b></p>	<p>The legislation providing for the AS was the Social Security Amendment Act (No. 3) 1993 which amended the Social Security Act 1964 (can be found at <a href="http://nzlii.org">Social Security Amendment Act (No 3) 1993 (nzlii.org)</a> )</p> <p>The current legislative provision for the AS is found in Part 2 Subpart 10 (sections 65 to 69) and Part 7 of Schedule 4 of the Social Security Act 2018, and Part 2 Subpart 5 of the Social Security Regulations 2018.</p> <p>MSD implements AS through service delivery operations. AS has had several key adjustments since 1993:</p> <ul style="list-style-type: none"> <li>• 1995, 1996: maximum rates increased for most recipients</li> <li>• 1996: AS Area allocation changes (several cities/towns moved to higher AS Areas which allowed recipients in those areas to receive a higher rate of AS if on the maximum rate before the change)</li> <li>• 1997: AS subsidy rate increased from 65% to 70% and the calculation of housing costs for boarders was reduced from two thirds of total board costs to 62 percent</li> <li>• 2004: abatement for beneficiaries removed, entry threshold (amount households must first contribute towards accommodation before receiving subsidy) for non-beneficiaries lowered</li> <li>• 2005: a number of towns were promoted to higher AS Areas, Auckland divided into two areas (to make 4 AS Areas total); increases to the maximum weekly rates</li> <li>• 2018: a number of towns were moved to higher AS Areas; increases to the maximum weekly rates</li> </ul>



The AS is a demand-driven subsidy with expenditure for the recent period set out in the following table:

Actual 2014/2015	Actual 2015/2016	Actual 2016/2017	Actual 2017/2018	Actual 2018/2019
NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m
1,128.9	1,163.7	1,127.0	1,203.5	1,640.7

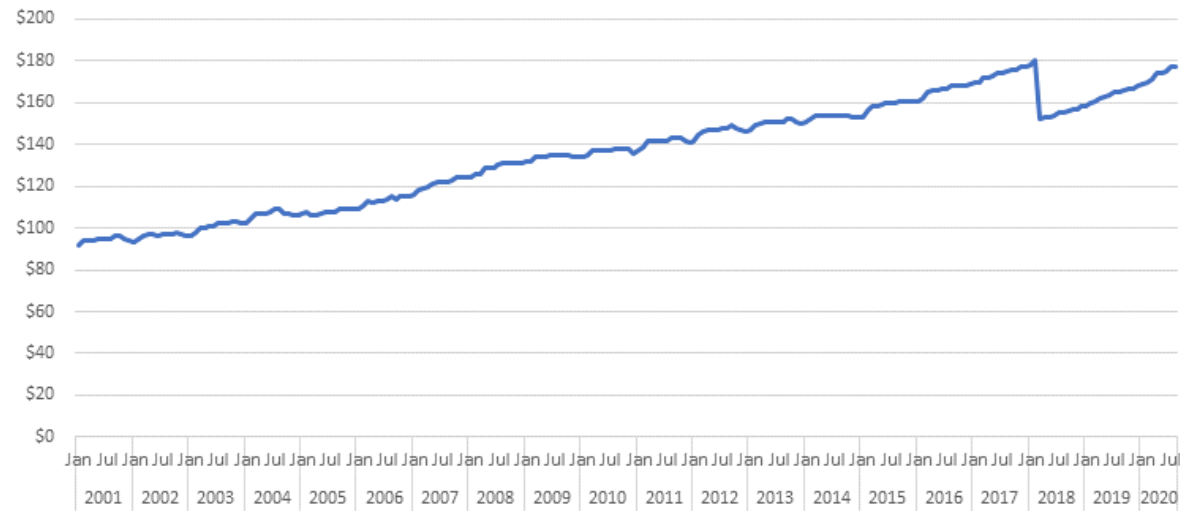
6.	<p><b>Outline of monitoring and evaluation built in to Policy / Programme</b></p>	<p>Monitoring of the AS is included in the following reports:</p> <ul style="list-style-type: none"> <li>• Families Package Monitoring Report – 2019 (<a href="#">Families Package Monitoring Report 2019 (msd.govt.nz)</a>) See pages 30 – 41. This report focuses on trends in receipt of Families Package payments.</li> <li>• Receipt of the Working for Families Package.<sup>3</sup> The focus of this report is on national uptake of the main components of WFF over 2005 to 2006: WFF Tax Credits, Accommodation Supplement, and Childcare Assistance (see pages 16-19).</li> <li>• Changing Families’ Financial Support and Incentives for Working, The summary report of the evaluation of the Working for Families package (2010).</li> </ul> <p>Other reports on AS and landlord capture - landlord capture is where an increase in a demand-side subsidy is reflected in a rent increase, by some or all of the increase of the subsidy. The evidence indicates that landlord capture is not a significant issue in relation to the AS. See the following papers on analysis of landlord capture:</p> <ul style="list-style-type: none"> <li>• Does the Accommodation supplement increase spending on rents? (<a href="#">Does the accommodation supplement increase spending on rents? (msd.govt.nz)</a>).</li> <li>• Do housing allowances increase rents? Evidence from a discrete policy change, Dean R. Hyslop and David Rea Motu Working Paper 18-10 Motu Economic and Public Policy Research, July 2018 (<a href="#">Do housing allowances increase rents? Evidence from a discrete policy change (motu.org.nz)</a>).</li> </ul>
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<sup>3</sup> Delium Document ID: **MSD.003.4805**.

7.	<p><b>Availability of quantitative or qualitative data to demonstrate success or failures of the Policy / Programme to achieve its stated aims</b></p>	<p>The most recent change to the AS was undertaken in 2018 as part of the Government’s Families Package. The package increased several social assistance payments delivered through the tax and benefit systems (including AS, introducing a Best Start tax credit, and the Winter Energy Payment).</p> <p>Effective from 1 April 2018, two changes were made to the AS. The first change was to the boundaries of the AS areas. Several places were re-classified into different Accommodation Supplement Areas depending on the state of the rental market in those localities. More areas were zoned as qualifying the highest possible maximum rate (Area/Zone 1).<sup>4</sup></p> <p>This was the first adjustment of AS areas since changes implemented in April 2005 as part of the Working for Families reform (other changes introduced as part of Working for Families were removal of abatement of AS for beneficiaries and an increase in AS entry and abatement thresholds for non-beneficiaries, effective from October 2004).</p> <p>The second change was that the rates for the AS were increased significantly for the first time since rate increases introduced in April 2005. the maximum payment rates for a two-person household by between \$25 and \$75 a week, and for larger households by between \$40 and \$80 a week. See table for details</p> <table border="1" data-bbox="768 772 1953 1059"> <thead> <tr> <th></th> <th>Area 1</th> <th>Area 2</th> <th>Area 3</th> <th>Area 4</th> </tr> </thead> <tbody> <tr> <td><b>Single</b></td> <td>\$165 (+\$20)</td> <td>\$105 (+\$5)</td> <td>\$80 (+\$15)</td> <td>\$70 (+\$25)</td> </tr> <tr> <td><b>Married without children, Sole parent with 1 child</b></td> <td>\$235 (+\$75)</td> <td>\$155 (+\$30)</td> <td>\$105 (+\$30)</td> <td>\$80 (+\$25)</td> </tr> <tr> <td><b>Married with children, Sole parent with two or more children</b></td> <td>\$305 (+\$80)</td> <td>\$220 (+\$55)</td> <td>\$160 (+\$40)</td> <td>\$120 (+\$45)</td> </tr> </tbody> </table> <p>The graph below shows the amount people pay in rent less the AS subsidy. Following the 2018 changes, there was a sharp decline in the amount recipients were paying in rent less the subsidy, which suggests policy had a direct impact on recipients’ after housing costs incomes.</p>		Area 1	Area 2	Area 3	Area 4	<b>Single</b>	\$165 (+\$20)	\$105 (+\$5)	\$80 (+\$15)	\$70 (+\$25)	<b>Married without children, Sole parent with 1 child</b>	\$235 (+\$75)	\$155 (+\$30)	\$105 (+\$30)	\$80 (+\$25)	<b>Married with children, Sole parent with two or more children</b>	\$305 (+\$80)	\$220 (+\$55)	\$160 (+\$40)	\$120 (+\$45)
	Area 1	Area 2	Area 3	Area 4																		
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<sup>4</sup> For detailed tables showing the new Accommodation Supplement areas, which include area changes difficult to see in the maps below (e.g.: changes for Queenstown), please refer to: [Changes to Accommodation Supplement Areas \(msd.govt.nz\)](#)

Rent less AS subsidy (income tested main beneficiaries who are renting)



MSD collects a variety of data including ethnicity (and a certain amount of iwi-level data) which assists with the administration of the Social Security Act and associated regulations. This allows MSD to better understand different segments of the population it serves and identify the characteristics of people who have positive and negative social outcomes as well as assessing the size and nature of any income inequalities. If required, further data can be supplied to assist the Tribunal.

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**EVIDENTIAL FACT SHEET**  
**EMERGENCY HOUSING SPECIAL NEEDS GRANT**

**(TE MANATŪ WHAKAHIATO ORA –  
MINISTRY OF SOCIAL DEVELOPMENT)**

5 Poutū-te-rangi | March 2021

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1.	<b>Basic information</b>	<p><b>Title of policy / programme:</b> Emergency Housing Special Needs Grant (<b>EH SNG</b>)</p> <p><b>Year introduced:</b> 2016</p> <p><b>Still current?:</b> Yes</p> <p><b>Administering agency(ies):</b> Ministry of Social Development (<b>MSD</b>)</p> <p><b>High level summary of policy/programme:</b></p> <p>The EH SNG provides financial assistance to eligible individuals and families to meet the cost of short-term commercial accommodation (usually a motel) where those people have no other accommodation options and there are no available vacancies in transitional housing contracted by Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development (<b>HUD</b>).</p> <p>This factsheet should be read in tandem with the Evidential Fact Sheets concerning:</p> <ul style="list-style-type: none"> <li>• ‘Preventing and Reducing Homelessness: Increasing Supply in the Short Term to Reduce Reliance on Motels’ (HUD) and</li> <li>• ‘Transitional Housing (Urgently Increasing Supply)’ (HUD).</li> </ul> <p><b>Overlapping/Related policies/programmes:</b></p> <ul style="list-style-type: none"> <li>• Māori and Iwi Housing Innovation Framework for Action (<b>MAIHI</b>) (HUD)</li> <li>• Aotearoa New Zealand Homelessness Action Plan (<b>HAP</b>) (HUD)</li> <li>• Preventing and Reducing Homelessness: Increasing Supply in the Short Term to Reduce Reliance on Motels (HUD)</li> <li>• Transitional Housing (Urgently Increasing Supply) (HUD)</li> <li>• Public Housing Plan (Urgently increasing supply) (HUD)</li> <li>• Special Needs Grants Programme (MSD)</li> <li>• Accommodation Supplement (MSD)</li> <li>• Temporary Additional Support (MSD)</li> <li>• Housing Navigation Service (MSD)</li> <li>• Ready to Rent Pilot Programme (MSD)</li> </ul>
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		<p><u>Explanation</u></p> <p>New Zealand has a three-tiered income support system comprised of:</p> <ol style="list-style-type: none"> <li>1. main benefits (tier one),</li> <li>2. supplementary assistance (tier two), and</li> <li>3. hardship assistance (tier three).</li> </ol> <p>The EHSNG is <b>tier three assistance</b> and forms part of the wider Special Needs Grant programme which provides recoverable and non-recoverable assistance where the client is unable to meet urgent and essential costs within their own resources.</p> <p>While development of the EH SNG predates the Aotearoa New Zealand Homelessness Action Plan (<b>HAP</b>) and the Māori and Iwi Housing Innovation Framework for Action (<b>MAIHI</b>), through the HAP process MSD has endeavoured to enhance the level of support people living in emergency housing receive with the intention of better helping clients to achieve their housing aspirations. This is consistent with the principles of MAIHI.</p> <p><b>Other agencies involved in development, implementation, or ongoing administration:</b></p> <p>HUD - For a period of time following the establishment of HUD in October 2018, the EH SNG appropriation (i.e. the Emergency Housing component of the hardship programme) sat with Vote Housing and Urban Development.</p> <p>MSD can find no evidence of targeted consultation with Maori in the original development of the EH SNG. However, the development of Te Pae Tata, (the Ministry’s Maori strategy – discussed below) is driving a greater focus on how best MSD can support the housing and other aspirations of Maori.</p>
2.	<b>Description of Policy / Programme</b>	<p>The EH SNG provides recoverable and non-recoverable financial assistance to people and families with an immediate emergency housing need. MSD may make a grant if:</p> <ol style="list-style-type: none"> <li>(a) the applicant has an immediate emergency housing need; and</li> <li>(b) not making the grant would worsen the applicant’s (or their immediate family’s) position.</li> </ol> <p>EH SNGs are provided to eligible individuals and families to meet the cost of short-term commercial accommodation (usually a motel) where those people have no other options, and there are no available vacancies in transitional housing contracted by HUD. While MSD acknowledges that motels are not suitable for long-term habitation, in the absence of adequate supply of affordable housing, their use ensures that people and whanau are not sleeping rough or in other inadequate housing.</p>

		<p>The level of assistance available through the EH SNG may vary based on the needs and composition of the household. For example, families with several children may receive additional assistance to meet the cost of a second motel unit in order to comfortably accommodate them.</p> <p>Grants are generally paid by MSD<sup>1</sup> (yes/no?) to commercial accommodation suppliers for the benefit of eligible individuals and households. MSD does not have a direct contractual relationship with accommodation suppliers (i.e. the contractual relationship is between the accommodation supplier and HUD).</p> <p>Demand for the EH SNG and the length of time clients are spending in emergency accommodation has grown markedly during the period 2016 to 2021. This reflects increasing housing costs and the absence of any significant new levels of affordable rental housing, which disproportionately impacts low-income whānau including Māori.</p>
3.	<p><b>Outline of the process to develop this Policy / Programme</b></p>	<p>Prior to the introduction of the EH SNG, emergency housing was predominantly the domain of community groups and charitable organisations, with limited government assistance available to meet the cost of temporary accommodation. During 2014/15, emergency housing providers noted the increasing demand for their services and expressed concern that a number of the most vulnerable New Zealanders were not able to access emergency housing when they most need it.</p> <p>At the time, people with nowhere to stay and in need of financial assistance to meet the cost of emergency housing were generally supported either through an advance benefit payment (<b>Advance</b>) or a recoverable assistance payment (<b>RAP</b>). (See separate Evidential Fact Sheet concerning Housing Related Hardship Assistance, including Housing Support Products<sup>7</sup>). Both of these forms of support are recoverable, meaning they had to be repaid by the recipient. This approach resulted in clients, who were in an already vulnerable situation, amassing unsustainable levels of debt with MSD.</p> <p>Leading up to implementation of the EH SNG, demand for emergency housing was increasing in Auckland and across the country:</p> <p>At the end of September 2015, there were 558 main applicants on the Social Housing Register living in insecure housing (236 of these, or 42 percent, in Auckland).</p> <p>Other organisations, such as the Citizens Advice Bureau (<b>CAB</b>), were reporting significant increases in the number of enquiries they were receiving about emergency housing. For instance, CAB reported a 100 percent increase in the number of enquiries about emergency housing between 2010 and 2015 (CAB received 10,000 enquiries about emergency housing from 2010 to 2015).</p>

<sup>1</sup> Generally, EHSNGs are paid by MSD to the Emergency Housing supplier. However, in exceptional circumstances (e.g. where the only accommodation option is not a registered supplier with MSD) it is possible to pay the client directly.

		<p>Feedback from the emergency housing provider survey carried out in Phase 1 of the Review of Funding for Emergency Housing (discussed below) also suggested that there was demand for emergency housing outside of Auckland and Christchurch.</p> <p>The primary target group for the emergency housing were those living on the street, in improvised or mobile dwellings<sup>2</sup> or on the social housing register and classified as living in insecure housing in the following categories:</p> <ul style="list-style-type: none"> <li>• living in a car (76 main applicants on the social housing register at the end of September 2015);</li> <li>• living in a tent (18 main applicants at the end of September 2015);</li> <li>• homeless and sleeping rough (146 main applicants at the end of September 2015).</li> </ul> <p>Anecdotal feedback from frontline Work and Income staff across the country also suggested that there was an ongoing demand for emergency housing assistance.</p> <p>In March 2015 terms of reference for Review of Funding for Emergency Housing was drafted. This document set out<sup>3</sup>:</p> <ul style="list-style-type: none"> <li>• Background</li> <li>• Rationale</li> <li>• Objectives</li> <li>• Scope</li> <li>• Deliverables</li> <li>• Sector consultation</li> <li>• Governance</li> </ul> <p>A Housing Steering Group was established by MSD to provide governance for the review. Regular updates were provided to the cross-agency groups established to govern the Social Housing Reform Programme (i.e. the cross agency Social Housing Deputy Chief Executives Group and Social Housing Joint General Managers Group).</p> <p>The final Cabinet paper went to Cabinet Social Policy Committee on 11 November 2015<sup>4</sup> and EH SNGs were introduced on</p>
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<sup>2</sup> According to the 2006 Census data, there were approximately 5,000 people in this category of severe housing deprivation. See: [Severe housing deprivation in Aotearoa/New Zealand 2001 - 2013 \(healthyhousing.org.nz\)](http://healthyhousing.org.nz)

<sup>3</sup> Delium Document ID: **MSD.004.0437**.



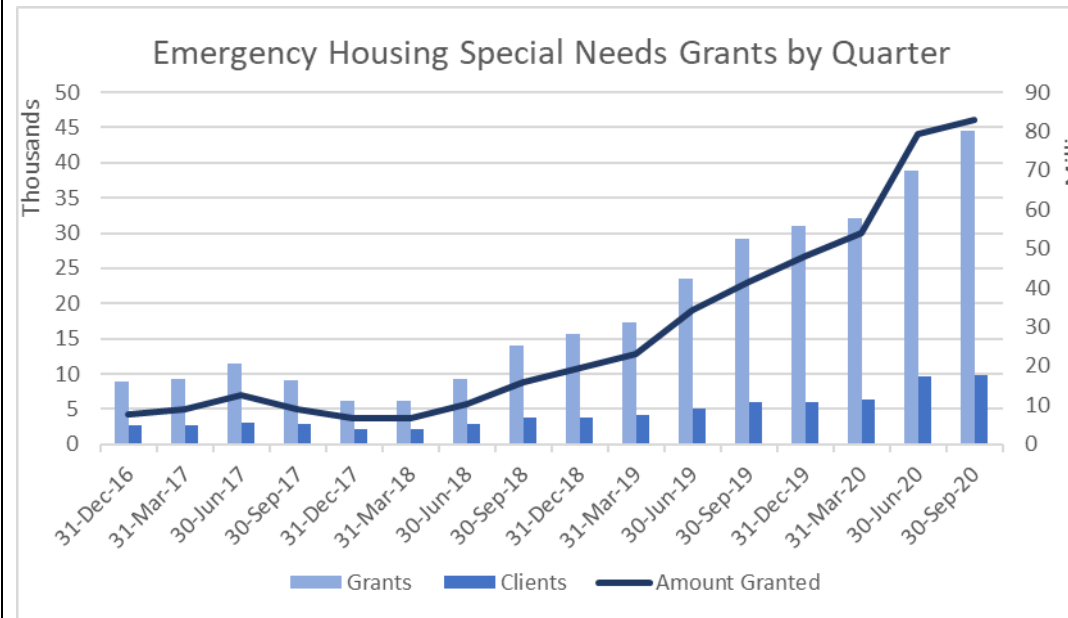
		<p>1 July 2016.</p> <p>Treasury, HNZC the Ministry of Business, Innovation and Employment (<b>MBIE</b>), the Ministry of Health, Ara Poutama (Department of Corrections), the Ministry of Justice (<b>MoJ</b>), the Ministry of Education (<b>MoE</b>), the Department of Internal Affairs (<b>DIA</b>), Te Puni Kōkiri (<b>TPK</b>), the Ministry of Pacific Island Affairs, and the Ministry of Women’s Affairs were consulted. MSD has been unable to find evidence that targeted engagement and consultation with Māori, iwi or Māori interests groups occurred in the development of EH SNG policy.</p>
4.	<b>Aims or Objectives of the Policy / Programme</b>	<p>The objective of the EH SNG is to respond to homelessness when it does occur by ensuring that people and families with an immediate housing need are able to access suitable short-term accommodation. MSD has the discretion to make a grant to applicants in this situation if not making the grant would worsen the applicant’s situation in terms of welfare or hardship.</p> <p>Evidence suggested that providing emergency housing assistance may reduce the likelihood of clients coming into contact with the health and justice sectors than if they had nowhere to stay.<sup>5</sup> Supporting the cost of emergency housing also means those in emergency housing are more likely to have better life outcomes than may otherwise be the case</p> <p>EH SNGs aim to increase the support available for vulnerable people in or needing access to emergency housing. Through EH SNGs, more people in crisis are able to find the accommodation they need while they get back on their feet, and fewer people in crisis will incur debt by having to use advance benefit payments or recoverable assistance payments to cover the cost of emergency accommodation.</p>
5.	<b>Outline of steps taken to implement the Policy / Programme</b>	<p>EH SNGs were introduced on 1 July 2016. Applications for EH SNGs are processed through Work and Income.</p> <p>EH SNGs are paid under clause 14A of the Special Needs Grants Programme under clause 21 of Schedule 1 of the Social Security Act 2018 and established under section 101 of the Social Security Act 2018.</p> <p>Since introduction, EH SNGs have evolved in a number of ways:</p> <p>From August 2019, MSD received additional funding through the HAP (Aotearoa New Zealand Homelessness Action Plan) to introduce dedicated support for people living in emergency housing including dedicated intensive case managers, housing navigators and support services;</p>

<sup>4</sup> Delium Document ID: **MSD.001.2220**

<sup>5</sup> **MSD.001.2220** at [10].

		<p>From 19 October 2020, MSD has been able to issue EH SNGs for up to 21 days for clients who have been in emergency housing for more than 7 days;</p> <p>From 19 October 2020, clients who have been living in emergency housing for more than 7 days were required to pay 25 percent of their income towards the cost of accommodation as an “emergency housing contribution”. This is similar to what people pay in transitional housing or public housing and prepares clients for longer-term housing where they are required to pay rent, power and other bills.</p> <p>The budget for EH SNG is:</p> <table border="1" data-bbox="618 595 1644 847"> <thead> <tr> <th></th> <th colspan="2">2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> </tr> <tr> <th></th> <th>Budgeted \$000</th> <th>Estimated Actual \$000</th> <th>Budget \$000</th> <th>Estimated</th> <th>Estimated</th> </tr> </thead> <tbody> <tr> <td>EH SNG</td> <td>198,969</td> <td>198,969</td> <td>239,928</td> <td>245,131</td> <td>251,349</td> </tr> </tbody> </table> <p>*Source: Treasury - Vote Social Development - Social Services and Community Sector - Estimates 2020/21  <a href="https://www.treasury.govt.nz/publications/estimates/vote-social-development-social-services-and-community-sector-estimates-2020-21">https://www.treasury.govt.nz/publications/estimates/vote-social-development-social-services-and-community-sector-estimates-2020-21</a></p>		2019/20		2020/21	2021/22	2022/23		Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated	Estimated	EH SNG	198,969	198,969	239,928	245,131	251,349
	2019/20		2020/21	2021/22	2022/23															
	Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated	Estimated															
EH SNG	198,969	198,969	239,928	245,131	251,349															
6.	<b>Outline of monitoring and evaluation built into Policy / Programme</b>	Demand for emergency housing assistance has grown sharply every quarter since June 2018 as beneficiaries and low-income families struggle to access and sustain housing in the private rental market. See the graph below for number of grants paid, clients and expenditure (starting December Quarter 2016)																		

Graph 1:



Information on uptake of the EH SNG is released to the public on a quarterly basis as part of MSD's quarterly Benefit Factsheets. Some information is also published in HUD's Public Housing Quarterly Report.

MSD is committed to continuously improving its products and services. MSD monitors uptake of the grant on a weekly basis and regularly engages with regional managers and staff to identify and address practice issues in respect of the EHSNG. This is in order to improve clients' experience of MSD service and the outcomes they achieve.

See also Emergency Housing Funding Model: Exploratory Study which was intended informed the development of the Emergency Housing Funding Model and its evaluation ([Emergency Housing Exploratory Study, Jan - Feb 2017 \(hud.govt.nz\)](https://www.hud.govt.nz/emergency-housing-exploratory-study))

#### **Te Pae Tata**

MSD has also implemented Te Pae Tata, a Māori strategy and action plan in recognition of the fact that Māori have consistently been one of the highest users of MSD services.

		<p>As part of this strategy, MSD has confirmed its status as a Treaty partner committed to supporting and enabling Māori, whānau, hapū and iwi to realise their own potential and aspirations.</p> <p>As a result, MSD has provided opportunities for staff to build cultural capability and enhanced the Ministry's relationships with iwi and Māori through two multi-agency social accords - Te Hiku o te Ika and Ngāi Tūhoe – as well as through exploring new partnerships with a number of other iwi and Māori interest groups.</p> <p><b>Welfare Expert Advisory Group Report (WEAG)</b></p> <p>MSD has also begun considering how best to respond to the Welfare Expert Advisory Group Report (<b>WEAG</b>) as it recognises that the failures of the welfare system disproportionately affect Māori. Specifically, the report found the welfare system is not working well for Māori because of:</p> <p>Discrimination</p> <p>Lack of cultural responsiveness</p> <p>Need for culturally competent staff</p> <p>Practices and systems are not aligned with Māori culture.</p> <p>MSD has begun work on recommendation 1 of WEAG, which focuses on identifying relevant kaupapa Māori values that could underpin the welfare system and how these values could be given further effect through legislation, policy development and delivery of services. A group of Māori experts (Ngā Mātanga Māori) has been created to provide advice on this work. MSD anticipates seeking Cabinet agreement for wider public engagement with Māori and iwi later in 2021.</p>
7	<b>Impact of Covid-19</b>	<p>The impact of COVID-19 resulted in increased take up of EH SNS. For the quarter ending 31 March 2020 there were 32,141 grants paid, compared with 38,883 grants for the following quarter.</p>
8.	<b>Availability of quantitative or qualitative data to demonstrate success or failures of the Policy / Programme to achieve its stated aims</b>	<p>Since its introduction, the EH SNG has served to ensure that people without access to adequate accommodation have a warm, safe place to stay while agencies work with them to identify long-term housing solutions. Prior to its introduction, many locations across Aotearoa New Zealand experienced a spike in families and individuals living in cars or sleeping rough. While MSD acknowledges that motels are not suitable for long-term habitation, in the absence of adequate supply of affordable housing, their use ensures that people and whānau are not sleeping rough or in other inadequate housing.</p> <p>Additionally, as a result of the introduction of the EH SNG, households have incurred less debt than they otherwise might have,</p>

by not having to use advance benefit payments or recoverable assistance payments to cover the cost of emergency accommodation. Without EH SNGs they would likely have incurred high levels of debt or become homeless had there been no emergency accommodation available through charitable and community groups.

EH data at 22 January 2021

3932 households

4,537 total Adults

4,075 total Children

Māori are disproportionately affected by homelessness in Aotearoa, with almost sixty per cent of all EH SNG recipients identifying as Māori.

**Households by ethnicity (as at 22 January 2021)**

Ethnicity	Number
Māori	2268 (58%)
NZ European	751 (19%)
Pacific	426 (11%)
Other	487 (12%)

MSD collects a variety of data including ethnicity (and a certain amount of iwi-level data) which assists with the administration of the Social Security Act and associated regulations. This also allows MSD to better understand different segments of the population it serves, identify the characteristics of people who have positive and negative social outcomes as well as assessing the size and nature of any income inequalities.

To determine broader conclusions about how Māori are impacted by the Social Welfare system requires the collection of data from multiple agencies, because agencies do not always record information in the same way it is not always possible to make concrete findings about outcomes for Māori. Furthermore, the data collection practices within agencies have also changed over time meaning that it can be difficult to assess trends in demographics.



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**KEI MUA I TE AROARO O TE RŌPŪ WHAKAMANA  
I TE TIRITI O WAITANGI  
BEFORE THE WAITANGI TRIBUNAL**

**WAI 2750**

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**IN THE MATTER OF**            **the Treaty of Waitangi Act 1975**

**AND**

**IN THE MATTER OF**            **Kaupapa inquiry into claims concerning Housing  
Policy and Services**

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**EVIDENTIAL FACT SHEET  
HOUSING RELATED HARDSHIP ASSISTANCE,  
INCLUDING HOUSING SUPPORT PRODUCTS**

**(TE MANATŪ WHAKAHIATO ORA –  
MINISTRY OF SOCIAL DEVELOPMENT)**

**5 Poutū-te-rangi | March 2021**

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1.	<b>Basic information</b>	<p><b>Title of Policy / Programme:</b> Housing-Related Hardship Assistance, including Housing Support Products (<b>HSP</b>)</p> <p><b>Year introduced:</b></p> <p>Housing-Related Hardship Assistance comprises the Advance Payment of Benefit (<b>Advances</b>) and the Recoverable Assistance Payment (<b>RAP</b>). These were introduced/extended to all beneficiaries in 1995 and 1996 respectively. Prior to this time, Advances were only available to recipients of New Zealand Superannuation, Veteran’s Pension, Transitional Retirement Benefit, Domestic Purposes Benefit, Invalids Benefit and long-term recipients of the Sickness Benefit.</p> <p>Housing Support Products were introduced in 2014 and comprise:</p> <ul style="list-style-type: none"> <li>• Bond Grant</li> <li>• Rent in Advance</li> <li>• Moving Assistance</li> <li>• Tenancy Costs Cover</li> <li>• Statement of Satisfactory Tenancy</li> <li>• Transitions to Alternative Housing Grant</li> <li>• Rent Arrears Assistance (<b>RAA</b>) (introduced in 2019)</li> </ul> <p>Temporary Additional Support (<b>TAS</b>) replaced the discretionary Special Benefit from 2006. TAS has been dealt with in a separate Evidential Fact Sheet.</p> <p><b>Still current?:</b></p> <p>Yes except for the following two HSPs:</p> <ul style="list-style-type: none"> <li>• Letting Fees Assistance: on 12 December 2018, MSD stopped providing this assistance due to the changes made to the Residential Tenancies Act 1986 that meant tenants could no longer be charged a letting fee.</li> <li>• Relocation from Auckland Grant: MSD ceased accepting applications from January 2018 in-line with the direction of Ministers.</li> </ul>
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		<p><b>Administering agency(ies):</b> Ministry of Social Development (<b>MSD</b>)</p> <p><b>High level summary of policy/programme:</b></p> <p>Housing-Related Hardship Assistance is available to help people with immediate needs and essential costs that cannot be met from any other income or assets. Hardship Assistance payments are therefore income and cash asset tested to ensure that they are targeted to people with no or few additional resources.</p> <p><u>Advance Payment of Benefit (Advances)</u> provides access to interest-free, advance payment of a person’s benefit. Subject to an income and asset test, an Advance can be made to a beneficiary for an immediate need for an essential item or service, including tenancy bonds, rent in advance, rent arrears and essential house repairs and maintenance. The maximum Advance is generally the equivalent of six-weeks of benefit.</p> <p><u>Recoverable Assistance Payment (RAP)</u> provides access to <b>non-beneficiaries</b> of interest free, recoverable financial assistance to meet essential immediate needs, including tenancy bonds, rent in advance and rent arrears. Eligibility is subject to an income and asset test.</p> <p><u>Temporary Additional Support (TAS)</u> is non-taxable extra help paid for a maximum of 13 weeks. It is paid as a last resort to help clients with their regular essential living costs that cannot be met from their chargeable income and other resources. See separate Evidential Fact Sheet on the TAS.</p> <p><b>Overlapping/Related policies/programmes:</b></p> <p>The HSPs programme, particularly the Rent Arrears Assistance HSP (“RAA HSP”), has some overlaps with the housing related hardship assistance grants (i.e. Advances and RAPs). These programmes are specifically targeted for those in the lower end of the private rental market.</p> <p><b>Other agencies involved in development, implementation, or ongoing administration:</b></p> <p>Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development (HUD)</p>
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2.	<b>Description of Policy / Programme</b>	<p><b><i>Housing-related Hardship grants</i></b></p> <p>Hardship Assistance is the third tier of New Zealand’s welfare system.<sup>1</sup> It consists of one-off grants in the form of Special Needs Grants (SNG), Advance Payments of Benefits (Advances), and Recoverable Assistance Payments (RAP).<sup>2</sup></p> <p>Payments can be non-recoverable (do not need to be paid back) or recoverable (need to be paid back) and are available to both people receiving main benefits and those working on low incomes. For people not receiving a main social security benefit (i.e. low-income working households), a similar level of means-tested recoverable assistance is available to meet immediate needs, including housing-related costs. In the 2018 calendar year around 19,000 recoverable grants were made to non-beneficiaries for housing-related costs, with a total value of just under \$14 million.</p> <p>Hardship Assistance is a uniquely discretionary form of support. This reflects its purpose, being to provide one-off assistance with unexpected costs for people in a wide range of life circumstances with little or no other resources available to them.</p> <p><u>Advance Payment of Benefit (Advances)</u><sup>3</sup></p> <p>People who are receiving a main social security benefit (including NZ Super and Veterans Pension), and who require assistance to meet a particular immediate need for an essential item, may be eligible for an Advance of no more than six weeks of their benefit entitlement.</p> <p>Advances are recoverable and, to be eligible, a client must:</p> <ul style="list-style-type: none"> <li>• be receiving a benefit or pension,</li> <li>• have an immediate and essential need,</li> <li>• have met any hardship obligation applied to them,</li> <li>• meet an income and asset test, and</li> <li>• purchase goods from a preferred supplier.</li> </ul>
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<sup>1</sup> First and second-tier assistance, such as main benefits and the Accommodation Supplement, are rules-based entitlements that provide a prescribed level of support depending on a client’s employment, family type, and on-going needs.

<sup>2</sup> SNGs are available to both beneficiaries and non-beneficiaries. Advances are only available to beneficiaries. RAPs are only available to non-beneficiaries.

<sup>3</sup> [Bonds and rent \(workandincome.govt.nz\)](https://www.workandincome.govt.nz/bonds-and-rent)

		<p>Advances can be paid by MSD for the following housing-related costs:</p> <ul style="list-style-type: none"> <li>• tenancy bonds;</li> <li>• rent arrears;</li> <li>• rent in advance or board;</li> <li>• essential house repairs and maintenance (home owners).</li> </ul> <p>In the 2018 calendar year, just over 92,000 housing-related advances were made with a total value of around \$58.8 million. Over half the total value of these advances were for tenancy bonds.</p> <p><u>Recoverable Assistance Payment (RAP)</u><sup>4</sup></p> <p>The objectives of the housing related Recoverable Assistance Payment hardship grants are to provide interest free, recoverable financial assistance within the limits and reasons prescribed for. Except where exceptional circumstances exist, payment cannot exceed six weeks of appropriate rate of supported living or \$600 (whichever is the lower amount).</p> <p>RAPs can be paid by MSD for the following housing related costs:</p> <ul style="list-style-type: none"> <li>• tenancy bonds</li> <li>• rent arrears (other than arrears incurred while receiving Accommodation Supplement, Accommodation Benefit, rent rebate allowance, tenure protection allowance) and/or</li> <li>• advances of rent</li> </ul> <p>Verification of the amount required must be sighted with the landlord's full name and address.</p> <p><b><i>HSP (Housing Support Products)</i></b></p> <p>Introduced in 2014, HSP originally had a narrow focus of supporting public housing tenants and applicants to move into the private market and / or off the public housing register. They were intended to complement tenancy reviews which</p>
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<sup>4</sup> [Bonds and rent \(workandincome.govt.nz\)](http://workandincome.govt.nz)

		<p>assess whether tenants are still eligible for public housing or whether they are identified to be able to live in the private market and therefore encouraged to do so, thus freeing up public housing property.</p> <p>A review of HSPs was undertaken in 2018 and from this review it was recommended that HSP be continued to be provided as one of the tools to alleviate pressure on the housing register by helping people with barriers to accessing private rentals.</p> <p>The purpose of HSPs were expanded in 2019 to support and reduce and prevent homelessness with HSPs now focused on enabling people to access and retain housing. The introduction of the new RAA HSP was to provide an additional tool to help people retain their existing housing where they were unable to access assistance from other sources. Introducing this assistance through HSPs addressed a gap in support for rent arrears and aimed to reduce the need for emergency housing or other interventions.</p> <p>Temporary policy changes to the RAA HSP were introduced in July 2020 as part of the Government's response to the global COVID-19 pandemic. These temporary changes were introduced to equally provide assistance to all people who may encounter rent arrears and require assistance to retain their housing as a result of COVID-19. As part of these temporary changes, Cabinet agreed to time-limited funding intended to increase support for RAA in response to the impact of COVID-19. The period for this funding is from 1 July 2020 to 31 December 2020 and has recently been extended until 30 June 2021.<sup>5</sup></p> <p>Funding for the Housing Support Assistance Programme is capped at \$5.006 million in 2019/2020 and \$7.2 million in outyears. As at 30 September 2020, \$3.883 million has been spent on RAA HSP since the temporary changes were implemented (2020/21 financial year).</p> <p>The various HSPs are:</p> <ul style="list-style-type: none"> <li>• <u>Bond Grant</u> – a one-off bond (non-recoverable) payment that directly addresses a major housing barrier (entry costs) without creating further household debt. This is available to help a person considered able to afford and sustain alternative housing (i.e. a private rental). It addresses any hardship for the client by reducing the need to borrow to pay for rent bond. The client must have first exhausted all other sources of assistance before being considered for a bond grant, e.g. recoverable bond assistance.</li> <li>• <u>Rent in Advance</u> – a one-off payment (non-recoverable) to assist clients who are considered to be able to afford and sustain alternative housing (i.e. private rental).</li> </ul>
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CAB-20-MIN-0129.25, Delium Document ID: **MSD.004.0440**

		<ul style="list-style-type: none"> <li>• <u>Moving Assistance</u> – a recoverable grant which helps with the specific cost of moving when there is an essential and unavoidable cost.</li> <li>• <u>Tenancy Costs Cover</u> – a recoverable grant which provides financial assistance if, at the end of a tenancy, a client owes tenant related costs in excess of their bond. The client can use the grant to give landlords an assurance that they will be able to meet any tenancy related costs in excess of the bond (up to a maximum amount) if owed at the end of the tenancy. It is designed for clients who are experiencing discrimination and having difficulty securing alternative accommodation. If claimed and successful, the payment is paid directly to the landlord. This product is available only if the tenancy ceases in the first 12 months.</li> <li>• <u>Statement of Satisfactory Tenancy</u> - a standardised reference from a public housing provider that directly targets landlords' three core Tenant Selection Concerns of rent payments, damages and tenant behaviour. The reference is useful if the tenant is facing some form of discrimination.</li> <li>• <u>Transitions to Alternative Housing Grant</u> - a one-off non-recoverable payment that aims to alleviate hardship by reducing the impact of a move into the private market on a client's overall financial situation. It also motivates voluntary exits from public housing for clients with a lower housing need in areas with high waiting lists or in the independence planning phase of tenancy reviews.</li> <li>• <u>Rent Arrears Assistance (RAA)</u> – a one-off recoverable payment to assist clients in retaining their existing tenancy which may be at risk due to rent arrears. A client does not have to be getting a benefit to qualify for rent arrears assistance. The assistance is discretionary and should only be considered once other resources to meet their need have been taken into account.</li> </ul>
3.	<p><b>Outline of the process to develop this Policy / Programme</b></p>	<p>Information on the development process for Advances (introduced pre-1995) and Recoverable Assistance Payments (<b>RAPs</b>) (introduced 1996) was unable to be located however since the introduction of the Special Needs Grants (<b>SNGs</b>) and Recoverable Assistance welfare programmes in 1998, there have been very few changes to Hardship Assistance policy settings.</p>

		<p><u>HSPs (2014):</u></p> <p>In 2014, the policy settings for HSPs were approved following the products being noted by Cabinet in March of that year<sup>6</sup> and funding approved in Budget 2014. The Accommodation Supplement Area 1<sup>7</sup> income threshold was approved for these products and they became available in July 2014.</p> <p><u>RAA HSP (2019):</u></p> <p>As part of Budget 2019, Cabinet agreed to an additional \$18.9 million in funding over the next four years. HSP's narrow focus were expanded to focus on enabling people to access and retain alternative housing at this time. A new HSP Rent Arrears Assistance product was introduced in 2019 to support people to retain their existing housing when no other forms of assistance were available.</p> <p><u>Temporary changes to eligibility criteria for RAA HSP in response to COVID-19 (2020):</u></p> <p>On 2 June 2020, Cabinet approved temporary changes to the RAA HSP with additional funding of \$30.9 million in 2020/21 to expand the availability of support with rent arrears, in response to COVID-19.<sup>8</sup> These temporary changes were introduced on 6 July 2020 and were due to expire on 31 December 2020 but were extended until 30 June 2021 to make provision for a delayed demand for the product during the COVID-19 recovery period.</p> <p>Since the temporary changes were implemented (on 6 July 2020), there has been a slow but steady increase of people applying for RAA with clients received 7,567 RAA grants, of which 33.6 percent were RAA HSPs and 49.4 percent were through Advances and 16.9 percent were RAPs. Only 6 percent of the RAA HSP grants were paid out at the increased maximum amount of \$4,000 (increase from the original amount of \$2,000).</p> <p><u>Engagement</u></p> <p>We have been unable to find evidence that targeted engagement and consultation with Māori, iwi or Māori interests groups occurred in the development of these policies.</p>
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<sup>6</sup> CAB Min (14) 10/5, Delium Document ID: **MSD.003.3299**.

<sup>7</sup> Area 1 includes Auckland Central, Northern Auckland, Pukekohe, Queenstown, Southern Auckland, Tauranga, Waiuku, Western Auckland and a number of other specified areas with high housing demand.

<sup>8</sup> CAB-20-MIN-0247, Delium Document ID: **MSD.004.0440**.

4.	<b>Aims or Objectives of the Policy / Programme</b>	<p>Housing related hardship grants are intended to help people who require assistance to meet a particular immediate need. Recoverable Assistance Programme (RAPs) and Advance Payment of Benefit (Advances) are both demand driven appropriations.</p>
5.	<b>Outline of monitoring and evaluation built in to Policy / Programme</b>	<p><u>Hardship Grants and WEAG:</u></p> <p>The Welfare Expert Advisory Group (<b>WEAG</b>)<sup>9</sup> recommended that Hardship Assistance be reviewed to ensure it is adequate, appropriately designed, and easy to access. MSD is currently reviewing Hardship Assistance as part of the Welfare Overhaul work programme. The purpose of the review is to ensure that Hardship Assistance is accurately targeted to those in need and continues to serve its intended purpose.</p> <p>MSD has also began considering how best to respond to WEAG as it recognises that the failures of the welfare system disproportionately affect Māori. Specifically, the report found the welfare system is not working well for Māori because of:</p> <ul style="list-style-type: none"> <li>• Discrimination</li> <li>• Lack of cultural responsiveness</li> <li>• Need for culturally competent staff</li> <li>• Practices and systems are not aligned with Māori culture.</li> </ul> <p>MSD has begun work on recommendation 1 of WEAG, which focuses on identifying relevant kaupapa Māori values that could underpin the welfare system and how these values could be given further effect through legislation, policy development and delivery of services. A group of Māori experts (Ngā Mātanga Māori) has been created to provide advice on this work. MSD anticipates seeking Cabinet agreement for wider public engagement with Māori and iwi later in 2021.</p> <p><b><i>Te Pae Tata</i></b></p> <p>MSD has also implemented Te Pae Tata, its Māori strategy and action plan in recognition of the fact that Māori have consistently been one of the highest users of our services. As part of this strategy, MSD has confirmed its status as a Treaty partner committed to supporting and enabling Māori, whānau, hapū and iwi to realise their own potential and aspirations.</p>

<sup>9</sup> An 11 member Welfare Expert Advisory Group (WEAG) was established in May 2018 to provide advice to the Government on options that could best give effect to its vision for the future direction of the social welfare system. The final Welfare Expert Advisory Group Report was released on 3 May 2019 and is available here: [Whakamana Tāngata – Restoring Dignity to Social Security in New Zealand | Welfare Expert Advisory Group - Kia Piki Ake \(weag.govt.nz\)](#) (link accessed 5 February 2020).

	<p>MSD has, as a result, provided opportunities for staff to build cultural capability and enhanced relationships with iwi and Māori through two multi-agency social accords -Te Hiku o te Ika and Ngāi Tūhoe – as well as exploring new partnerships with a number of other iwi and Māori interest groups.</p> <p><b><i>Housing Reference Group</i></b></p> <p>MSD also oversees a Housing Reference Group (<b>HRG</b>) which was established in January 2020 to inform MSD’s design and implementation of housing services, identify potential process and system improvements, and to provide a choice for the housing support sector in influencing housing policy and services.</p> <p>The HRG helps test MSD’s thinking about housing interventions, high level operational processes, and the delivery of services as they relate to MSD’s housing functions. Membership is drawn from client advocacy and housing provider organisations with a view of ensuring the widest possible representation of views including Māori, Pacific peoples and other at-risk segments. Maori interest organisations in this group include Te Matapihi (the national peak body for Māori housing) and Community Housing Aotearoa (the peak body for Community Housing Providers).</p> <p><u>Housing Support Products:</u></p> <p>In 2018, MSD undertook an evaluation and review of HSPs. The report is available here: <a href="#">Review of Housing Support Products - Ministry of Social Development (msd.govt.nz)</a></p> <p>The 2018 HSP evaluation confirmed at the time that HSPs were achieving their objective and purpose.</p> <p>Another review/evaluation of HSPs is envisaged for 2021 and this will include a review of RAA HSP. This review will also take into housing related hardship assistance, namely, RAPs and Advances.</p> <p>For the temporary changes to RAA HSP due to COVID-19, MSD reported back to Joint Ministers in December 2020 on uptake and will provide another report in May 2021.</p>
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6.	Relevant data <sup>10</sup>	<p><i>Uptake of RAA HSP since its introduction in July 2019 until September 2020</i></p> <table border="1" data-bbox="696 264 2029 687"> <thead> <tr> <th></th> <th>Nov 19</th> <th>Dec 19</th> <th>Jan 20</th> <th>Feb 20</th> <th>Mar 20</th> <th>Apr 20</th> <th>May 20</th> <th>Jun 20</th> <th>Jul 20</th> <th>Aug 20</th> <th>Sept 20</th> </tr> </thead> <tbody> <tr> <td><b>HSP Rent Arrears</b></td> <td>126</td> <td>125</td> <td>177</td> <td>176</td> <td>137</td> <td>58</td> <td>87</td> <td>78</td> <td>738</td> <td>1,039</td> <td>792</td> </tr> <tr> <td><b>Quarterly</b></td> <td colspan="2">31 Dec 19 \$321,760.77</td> <td colspan="3">31 Mar 20 \$644, 591.52</td> <td colspan="3">30 Jun 20 \$296,769.82</td> <td colspan="3">30 Sept 20 \$3.8883 million (YTD 2020/21)</td> </tr> </tbody> </table>													Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sept 20	<b>HSP Rent Arrears</b>	126	125	177	176	137	58	87	78	738	1,039	792	<b>Quarterly</b>	31 Dec 19 \$321,760.77		31 Mar 20 \$644, 591.52			30 Jun 20 \$296,769.82			30 Sept 20 \$3.8883 million (YTD 2020/21)		
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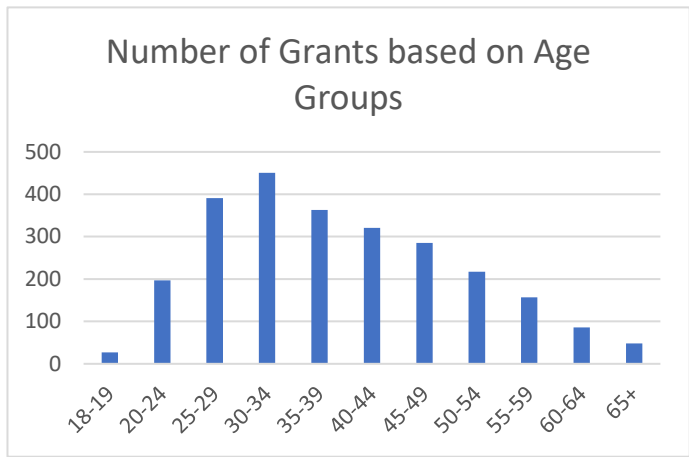
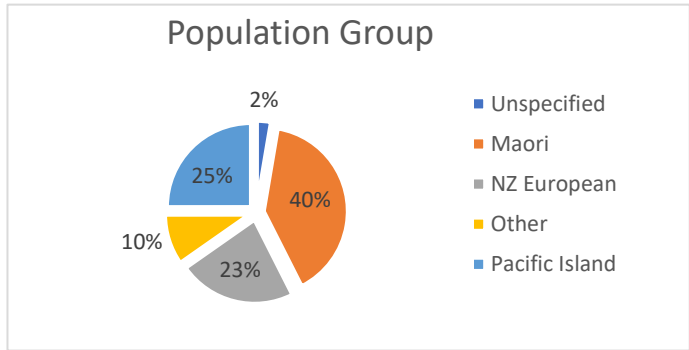
<sup>10</sup> MSD collects a variety of data including ethnicity (and a certain amount of iwi-level data) which assists with the administration of the Social Security Act and associated regulations. This also allows for a better understanding of the different segments of the population MSD serves and assists in identifying the characteristics of people who have positive and negative social outcomes as well as assessing the size and nature of any income inequalities. In order to determine broader conclusions about how Māori are impacted by the Social Welfare system, the collection of data from multiple agencies is required, because agencies do not always record information in the same way and it is therefore not always possible to make concrete findings about outcomes for Māori. Furthermore, the data collection practices within agencies have changed over time meaning that it can be difficult to assess trends in demographics.

		<b><i>Total Recoverable Assistance Payments (RAP)</i></b>		
Number	15,610	19,058	22.1 percent increase	
Amount paid	\$7,167,954	\$8,675,775	21.0 percent increase	
<p>Note 1: Data provided are counts of grants, not counts of clients. A client may have more than one grant during a quarter.</p> <p>Note 2: The total of Special Needs Grants includes Emergency Housing SNGs.</p> <p>Note 3: SNG – Emergency Housing was implemented from 1 July 2016 and was able to be reported separately from the December 2016 quarter.<sup>11</sup></p>				
		<p><b><i>Data from the 2018 HSP review on recipients of Housing Support Products:</i></b></p> <ul style="list-style-type: none"> <li>• Female (77 percent)</li> <li>• Māori (49 percent)</li> <li>• Un-partnered (57 percent)</li> <li>• With dependent children (44 percent)</li> <li>• Receiving Sole Parent Support (93 percent)</li> <li>• Receiving Jobseeker Support (23 percent)</li> <li>• Not on a main benefit (27 percent)</li> </ul>		

<sup>11</sup> [Hardship Assistance - December 2019 quarter \(msd.govt.nz\)](https://www.msd.govt.nz/what-we-do/assessments-and-reviews/housing-support-products-review-2018)

***For RAA HSP COVID changes early data indicates (as at 30 September 2020)***

- Māori (40 percent)
- Female (65 percent) (may be multiple grants)



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**KEI MUA I TE AROARO O TE RŌPŪ WHAKAMANA  
I TE TIRITI O WAITANGI**

**BEFORE THE WAITANGI TRIBUNAL**

**WAI 2750**

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**IN THE MATTER OF**                    the Treaty of Waitangi Act 1975

**AND**

**IN THE MATTER OF**                    Kaupapa inquiry into claims concerning  
Housing Policy and Services

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**EVIDENTIAL FACT SHEET**

**MYMSD**

**(TE MANATŪ WHAKAHIATO ORA –  
MINISTRY OF SOCIAL DEVELOPMENT)**

**5 Poutū-te-rangi | March 2021**

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**CROWN LAW**

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Waea    Tel: 04 472 1719  
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**Counsel Acting:**

Jacki Cole

Jacki@jcolebarrister.com

1.	<b>Basic information</b>	<p><b>Title of policy / programme:</b> MyMSD</p> <p><b>Year introduced:</b> 2015</p> <p><b>Still current?:</b> Yes</p> <p><b>Administering agency(ies):</b></p> <p>Ministry of Social Development (<b>MSD</b>)</p> <p><b>High level summary of policy/programme:</b> online self-service application for clients of the MSD to access services and products offered by MSD online</p> <p><b>Overlapping/Related policies/programmes:</b> customer strategy</p>
2.	<b>Description of Policy / Programme</b>	<p>MyMSD is Work and Income’s online self-service portal available 24 hours/7 days a week and uses very little mobile data (“<a href="#">Cheap as data</a>”) for users on Spark, Vodafone, 2Degress and Skinny networks. MyMSD is available via any device, and service centres have computers available to access MyMSD. Clients register using their Work and Income client number and their date of birth.</p> <p><b>What can clients do in MyMSD</b></p> <p>View:</p> <ul style="list-style-type: none"> <li>• Upcoming benefit payments</li> <li>• Breakdown of their financial information</li> <li>• Debt details – including debt repayments</li> <li>• Some letters</li> <li>• Payment card details</li> <li>• Community services card number</li> <li>• Hardship payment supplier details</li> <li>• Information on Emergency Housing help (being introduced in March 2021)</li> </ul>

		<p>Apply for:</p> <ul style="list-style-type: none"> <li>• Benefits and payments including Accommodation Supplement</li> <li>• Hardship payments – Food, Emergency Dental, School Uniform and School Stationary</li> <li>• Request to stop on-going payments</li> </ul> <p>Re-apply for:</p> <p>During the response to COVID-19, we suspended re-applications for several of our payments. This was so people didn't need to re-apply and would continue getting payments from us.</p> <ul style="list-style-type: none"> <li>• Temporary Additional Support (restarted September 2020)</li> <li>• Jobseeker support – every 52 weeks (turned off as part of Covid-19 response, will be restarted from 30th March 2021)</li> <li>• Sole Parent Support – every 52 weeks (turned off as part of Covid-19 response, will be restarted from 30th March 2021)</li> </ul> <p>Declare change of circumstance:</p> <ul style="list-style-type: none"> <li>• Income and wage information</li> <li>• Accommodation costs (turned off as part of Covid-19 response)</li> <li>• Partner relationships</li> <li>• Contact details and address changes</li> <li>• Overseas travel</li> </ul> <p><i>More information on MyMSD can be found on the <a href="#">Work and Income website</a></i></p>
3.	<b>Aims or Objectives of the Policy / Programme</b>	<p>For our clients, MyMSD aims to empower people to digitally manage the financial support they get from MSD, in their own time and from their chosen location. This enables them to get the information and support they need to be safe, strong and independent.</p> <p>For MSD, MyMSD aims to provide digital self-service options that creates capacity for our front-line staff to help clients to overcome more complex issues and focus on our client's path to employment.</p>

4.	<b>Availability of quantitative or qualitative data to demonstrate success or failures of the Policy / Programme to achieve its stated aims</b>	<p>MyMSD has had 615,621 unique users in the last 6 months</p> <p>Breakdown of user ethnicity:</p> <table border="1" data-bbox="618 312 967 708"> <tr> <td>Maori</td> <td>28.7%</td> </tr> <tr> <td>Cook Islander</td> <td>1.8%</td> </tr> <tr> <td>Samoan</td> <td>4.2%</td> </tr> <tr> <td>Other Pacific Peoples</td> <td>2.5%</td> </tr> <tr> <td>Other</td> <td>62.8%</td> </tr> </table> <p><b>Referral traffic from Work &amp; Income website since 1 August:</b></p> <p>1.5M direct referrals from W&amp;I to MyMSD via an 'apply now' call to action button link.</p>	Maori	28.7%	Cook Islander	1.8%	Samoan	4.2%	Other Pacific Peoples	2.5%	Other	62.8%
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**KEI MUA I TE AROARO O TE RŌPŪ WHAKAMANA  
I TE TIRITI O WAITANGI**

**BEFORE THE WAITANGI TRIBUNAL**

**WAI 2750**

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**IN THE MATTER OF**                      **the Treaty of Waitangi Act 1975**

**AND**

**IN THE MATTER OF**                      **Kaupapa inquiry into claims concerning  
Housing Policy and Services**

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**EVIDENTIAL FACT SHEET  
SOCIAL ALLOCATION SYSTEM (SAS)  
(TE MANATŪ WHAKAHIATO ORA –  
MINISTRY OF SOCIAL DEVELOPMENT)**

**5 Poutū-te-rangi | March 2021**

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**CROWN LAW**

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**Counsel Acting:**

Jacki Cole  
Jacki@jcolebarrister.com



1.	<b>Basic information</b>	<p><b>Title of policy / programme:</b> Social Allocation System (<b>SAS</b>) and Income Related Rent (<b>IRR</b>)</p> <p><b>Year introduced:</b></p> <ul style="list-style-type: none"> <li>• 1 December 2000 – IRR was reinstated for public housing tenants and a new allocation system for assessing public housing priority was introduced.</li> <li>• 14 April 2014 – transfer of functions from Housing New Zealand Corporation (<b>HNZC</b>) to Ministry of Social Development (<b>MSD</b>)</li> </ul> <p><b>Still current?:</b> Yes</p> <p><b>Administering agency(ies):</b></p> <p>HNZC, MSD, Te Tūāpapa Kura Kainga - Ministry of Housing and Urban Development (<b>HUD</b>), Community Housing Providers (<b>CHPs</b>)</p> <p>HNZC administered SAS from commencement December 2000 until transfer of functions to MSD April 2014.</p> <p>HUD has policy lead and MSD administers the functions. HUD also pay the Income Related Rent Subsidy (MSD calculates the amount of Income Related Rent for public housing tenants)</p> <p><b>High level summary of policy/programme:</b></p> <p>The SAS is an allocation system for assessing public housing priority based on a client’s level of need. SAS is managed and administered by MSD which means comprehensive and integrated support can be provided to clients with consideration given to broader social circumstances and financial barriers to housing. The aim of having the SAS managed by MSD is to streamline the social housing system so those with the highest need are prioritised.</p> <p><b>Overlapping/Related policies/programmes:</b></p> <p>Income Related Rent Subsidy (<b>IRRS</b>)</p> <p>Temporary Additional Support (<b>TAS</b>)</p> <p><b>Other agencies involved in development, implementation, or ongoing administration:</b></p> <ul style="list-style-type: none"> <li>• The Treasury</li> <li>• Ministry of Business, Innovation and Employment (<b>MBIE</b>)</li> <li>• Kainga Ora – Homes and Communities (<b>Kainga Ora</b>) (undertakes pre-placement interviews to gain additional information to make better informed placement decision)</li> </ul>
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2.	<b>Description of Policy / Programme</b>	<p>A copy of the SAS policy is available at <a href="https://www.workandincome.govt.nz/assessing-eligibility">Assessment of eligibility (workandincome.govt.nz)</a></p> <p>Further information concerning the IRR policy is available at <a href="https://www.workandincome.govt.nz/income-related-rent">Income Related Rent (workandincome.govt.nz)</a></p> <p><b><i>Social Allocation System (SAS)</i></b></p> <p>SAS is a needs assessment model for determining a client’s eligibility for public housing.</p> <p>Typically, an applicant is required to meet an income and asset threshold test before their housing needs are assessed. In some circumstances, however, a person can request a housing need assessment regardless of the income/asset threshold assessment.</p> <p>Housing need is assessed under Ministerial directions.<sup>1</sup> An applicant must have “a persistent housing need” that is serious, or severe and must be addressed immediately. Whether a person has “a persistent housing need” is determined by considering the following factors:</p> <ul style="list-style-type: none"> <li>• the <i>affordability</i> of their alternative accommodation</li> <li>• the <i>adequacy</i> of their current accommodation</li> <li>• the <i>suitability</i> of their current accommodation</li> <li>• the <i>accessibility</i> of alternative accommodation, and</li> <li>• the <i>sustainability</i> of alternative accommodation</li> </ul> <p>Assessment of housing needs are also subject to guidelines contained in the Ministerial directions on overcrowding which state a requirement to provide separate bedrooms for single adults and couples and provides directions on when children under the age of 18 can share a bedroom.</p> <p>Applicants’ needs are then ranked on the Public Housing Register (discussed below) for placement by providers (these being Kainga Ora and CHPs).</p> <p>Placement into public housing is limited by the number of public housing places becoming available (either through tenants moving out of public housing or new stock being introduced). For the year ending September 2020, 7,067 clients on the register were rehoused into public housing.</p> <p>MSD has responsibility for reviewing whether tenants still qualify for social housing to determine if the person is ready to move into private housing. Reviews generally occur every three years, however some tenants are exempt from these reviews unless</p>
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<sup>1</sup> Ministerial Direction on Eligibility for Social Housing (17 April 2014) can be found at [Ministerial Direction on Eligibility for Social Housing \(gazette.govt.nz\)](https://www.gazette.govt.nz/government/ministerial-directions/ministerial-direction-on-eligibility-for-social-housing/)

they have a change in circumstances. MSD may investigate the circumstances of any tenant of social housing under section 121 of the Public and Community Housing Management Act 1992.

At present, MSD is responsible for:

- a. the needs assessment (described above),
- b. referral of short-listed applicants to housing providers (MSD provides a list of people to providers, however the providers decide the final placements),
- c. Calculating the rate of Income Related Rent paid by public housing tenants (HUD pays the Income Related Rent Subsidy to the provider (Kainga Ora or a CHP))
- d. associated functions.

The objective of the - system design is for housing needs assessment to be integrated with the overall social needs assessment (which is also undertaken by MSD, as well as potentially linked to health and disability assessments).

Public Housing Register<sup>2</sup>

The Public Housing Register provides a method for rationing and allocating available housing. Ranking takes the form of a four-class alphabetical classification system (A to D). Those applicants assessed as an A or B category are eligible for social housing placement. Typically, A and B clients face a range of barriers to accessing private accommodation, of which affordability is often one, but of itself is not sufficient to generate an A or B rating. The specific assessment criteria are as follows:

- A.** The well-being of the household is being severely affected (or is seriously at risk) and there is an immediate need for action due to the unsuitability and/or adequacy of their current housing. Further, the household is unable to access and/or sustain suitable, adequate and affordable alternative housing.
- B.** The well-being of the household has been affected in a significant and persistent way due to the unsuitability and/or inadequacy of their current housing. The household is highly unlikely to be able to access and/or sustain suitable, adequate and affordable alternative housing.
- C.** \*The household is disadvantaged and this is likely to be compounded over time due to the unsuitability and/or inadequacy of their current housing. The household can access and sustain alternative housing with assistance.
- D.** \*Households experiencing low housing need for which there are other viable housing options. The household can access and sustain alternative housing without assistance.

<sup>2</sup> Sometimes referred to as the Social Housing Register.

		<p>*Eligibility for people assessed with a C or D housing need was removed in 2011 as part of the Social Housing Reform Programme. People assessed as priority C or D are supported to access alternative accommodation in the <i>private</i> rental market.</p> <p>In 2016 a policy was introduced allowing MSD to remove an applicant from the Register for a period of 13 weeks where they have declined an offer of housing without a good and sufficient reason. Operationally, the Ministry attempts to be accommodating on what constitutes a “good and sufficient” reason. Examples include where a property is too far from a child’s school or the client’s work.</p> <p><b><i>Income Related Rent (IRR)</i></b></p> <p>IRR is a subsidised rent scheme for social housing tenants with low income. MSD calculates the rate of IRR and the social housing provider (Kainga Ora or a CHP) charges this rate as rent to the client.</p> <p>The rate of IRR is calculated based on a client's assessable income and their household type (for example a sole tenant will have a lower income threshold than other household types). The rate of income related rent is generally no more than 25% of a client’s assessable income (usually based on 25% of the applicable rate of Jobseeker Support unless the household has a higher income). If the rate of IRR calculated is higher than the market rent rate for the property, the housing provider will charge the client the market rent rate.</p> <p>When assessing the “household type” for the purposes of IRR, MSD will consider the number of “applicable people” this includes people such as the applicant’s partner and others who reside in the property). This is important information in the context of avoiding overcrowding situations.</p> <p><b><i>Income Related Rent Subsidy (IRRS)<sup>3</sup></i></b></p> <p>The IRRS is directly related to IRR and is another integral part of the Government's financial support for social housing.</p> <p>Social housing providers (Kāinga Ora and community housing providers) are paid, by HUD, for the difference between the value of the IRR the tenant is assessed to pay and the market rent rate or agreed rent rate for their social housing properties. This payment is called the Income Related Rent Subsidy. MSD are responsible for calculating the rate of IRR and the housing provider charges this rate to the tenant. Since 1 October 2018, the HUD has been responsible for processing the IRRS claims submitted by housing providers and paying the IRRS to the provider to ‘top up’ the tenant contribution so the housing provider receives broadly the equivalent of market rent.</p>
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<sup>3</sup> See separate Evidential Fact Sheet on Public Housing Funding Settings (Income Related Rent Subsidy and Operating Supplement).

3.	<p><b>Outline of the process to develop this Policy / Programme</b></p>	<p>In 2000, the Government re-introduced Income Related Rent and a new SAS to direct housing resources to those in need, based on the five criteria still in use (Adequacy, Suitability, Affordability, Accessibility and Sustainability).</p> <p>In 2010, the Government set out to create a more innovative and efficient social housing sector with an increased number and diversity of providers (specific intention to include CHPs). To achieve this, the previous model where all parts of the housing model were integrated into HNZC and designed for a single-provider system, required redesign.</p> <p>The Housing Shareholders Advisory Group<sup>4</sup> was established to review New Zealand’s housing model and make recommendations for reform. The HSAG concluded that a single agency acting as both the needs assessor for state housing as well as having responsibility for placing people in houses, was not ideal. The HSAG made number of recommendations to address this.<sup>5</sup></p> <p>One of the recommendations was to clarify sector responsibilities, including that one organisation should carry out the assessment of tenant needs and administration of housing subsidies while a separate organisation should have responsibility for placing people in appropriate housing.</p> <p>Another recommendation was that the IRRS ought to be extended to CHPs. An independent needs assessor was considered necessary to support the extension of the IRRS to CHPs. The Cabinet Business Committee agreed MSD would carry out this role.</p> <p>Launched in 2000, SAS was first used by HNZC to assess and prioritise applicants. In 2014 management functions were transferred to MSD as part of the Government’s social housing reform programme (the SHRP). The objective behind the transfer of needs assessment and associated functions from HNZC to MSD was to create an independent needs assessment role and grow the non-government social housing sector. Furthermore, the Crown recognised the significant clientele overlap, with nearly all HNZC households having at least one adult with current or previous contact with Work and Income (managed by MSD)<sup>6</sup>. MSD was viewed as able to “provide more comprehensive and integrated support and has strong connections to community and social support services” due to case managers having the ability to “look across the full range of housing, work, and income support received by an individual, family, or household and consider the best way to improve wider social outcomes.”<sup>7</sup></p>
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<sup>4</sup> The Housing Shareholders Advisory Group (HSAG) was formed by the Government on 30 April 2010 to make recommendations on the future role of Housing New Zealand Corporation in delivering assistance. See separate Evidential Fact Sheet on the Social Housing Reform Programme (SHRP) for further information.

<sup>5</sup> Refer to *Home and Housed, A Vision for Social Housing in New Zealand* (April 2010), Delium Document ID: **MSD.003.7488**.

<sup>6</sup> At the time of the transfer of functions, about 87% of those on the waitlist and 77% of tenancies were also Work and Income clients.

<sup>7</sup> Cabinet Social Policy Committee “Social Housing Reform: Implementing the Transfer of Needs Assessment Functions” (5 November 2013) SOC (13) 152 at [22], Delium Document ID: **MSD.004.0256**.

		<p>The transfer of functions enabled MSD to integrate two previously separate data sets:</p> <ul style="list-style-type: none"> <li>• HNZC data about people living in social housing and</li> <li>• MSD’s data about people receiving benefits.</li> </ul> <p>This informs MSD’s management of its social housing functions.</p>
4.	<p><b>Aims or Objectives of the Policy / Programme</b></p>	<p><b><i>Social Allocation System (SAS)</i></b></p> <p>The SAS assesses a client’s eligibility and need for public housing and only places on the public housing register those who are assessed as having urgent or serious need.<sup>8</sup> The transfer of SAS functions to MSD was based on the intention that a holistic approach to housing may be taken (including income and employment elements), allowing for potentially greater gains. This aimed to support people with moving into employment and gaining accommodation in the private market, freeing up public housing for those who need it most.</p> <p>The transfer of functions to an independent agency from HNZC was considered an essential step to ensure:<sup>9</sup></p> <ul style="list-style-type: none"> <li>• More people were housed appropriately for the duration of their housing need: and</li> <li>• More people had their housing needs met through promoting social and housing mobility, improving their health, safety, and employment outcomes; and helping those who are able to move towards independence (this is because the way income related rent works, once a household is earning above the specified income thresholds, they will contribute 50% of that component of their income <u>over and above that threshold</u> towards housing costs until they reach the market rent).</li> </ul> <p><b><i>Income Related Rent (IRR) and the Income Related Rent Subside (IRRS)</i></b></p> <p>IRR is a subsidised rent scheme for social housing tenants with low incomes. MSD calculates the rate of IRR and the social housing provider charges this rate as rent to the client. The rate of IRR is calculated based on a client's assessable income and their household type.</p> <p>Social housing providers are paid for the difference between the value of the IRR and the market rent rate or agreed rent rate for their social housing properties. Social housing providers are responsible for calculating the amount of the IRRS and claiming the amount from MSD. As at the end of September 2020, the average subsidy amount received by public housing tenants was \$313.65.</p>

<sup>8</sup> Applicants assessed as not having an urgent or serious need (categorised as C or D under the assessment system described in section 2 above) would not be put on the register for social housing.

<sup>9</sup> Cabinet Social Policy Committee “Social Housing Reform: Implementing the Transfer of Needs Assessment Functions” (11 November 2013) CAB Min (13) 39/7 at [2-3], Delium Document ID: **HUD.005.4326**

5.	<b>Outline of steps taken to implement the Policy / Programme</b>	<ul style="list-style-type: none"> <li>• April 2010: Report of independent advisory group, the Housing Shareholders Advisory Group (HSAG) to the Ministers of Housing and Finance identified the need for change in the public housing sector.<sup>10</sup></li> <li>• July 2011: Cabinet agreed to reform social and affordable housing by aligning the organisation and responsibilities of government agencies to support the direction for change. This included removing eligibility for those assessed as a C or D priority.</li> <li>• October 2012: Cabinet agreed to a future vision for the social housing market</li> <li>• April 2013 Cabinet agreed that the housing needs assessment should be transferred from HNZN to MSD from 14 April 2014</li> <li>• Transfer of functions to MSD came into effect through the Social Housing Reform (Housing Restructuring and Tenancy Matters Amendment) Act 2013</li> <li>• November 2016: changes made to SAS to ensure people with greatest need were prioritised (included people who were homeless, living in emergency housing, experiencing family violence, needing to be moved because of multiple and complex needs)</li> <li>• October 2018: responsibility for SAS policy transferred to the Ministry of Housing and Urban Development.</li> </ul>
6.	<b>Outline of monitoring and evaluation built in to Policy / Programme</b>	<p>MSD have carried out various monitoring and evaluation processes built into its role of management and regulation of SAS functions in the redesigned housing model. This includes routine monitoring of key indicators of SHRP performance, implementation of evaluations of specific policy activities and an overall policy evaluation.</p> <p>Quality assessment checks were undertaken on 1 in 10 assessment applications completed to ensure that the needs assessment criteria were being applied consistently and there was documentation to support the level of risk assessed.</p> <p>Reporting was available and updated on a daily basis to: monitor the number of people on the waitlist for social housing; identify the number of applications for social housing that were in progress; identify the applications that were needed to have a quality insurance check; applications due for review.</p> <p>Other monitoring practices include tracking the number of applications on the housing register and tracking income-related rent statistics.</p> <p>The information below shows the number of applicants on the Public Housing Register as at 31 December 2020.</p>

<sup>10</sup> As discussed above.

NOTE: The number of applicants on the Public Housing Register is subject to change depending on demand for public housing. Placement into public housing is limited by the number of public housing places becoming available (either through tenants moving out of public housing or new stock being introduced). For the year ending September 2020, 7,067 clients on the register were rehoused into public housing.

As at December 2020, there were 26,747 households on the Public Housing Register (includes 4,226 households on the Transfer Register – people in public housing who are waiting to be moved to more suitable public housing). For comparison, there were 13,086 households on the Public Housing Register in December 2018.

**The number of applications on the public housing register and percentage change year on year (December 2015-2020)**

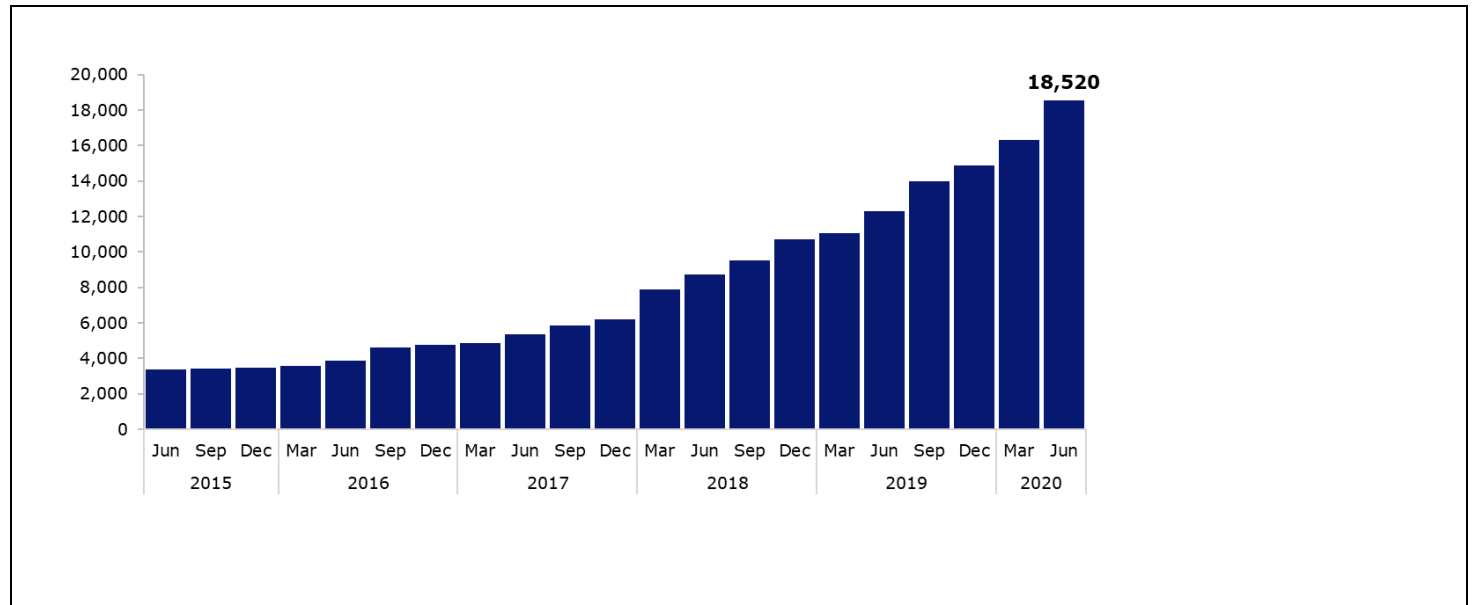
<b>Date</b>	<b>Total</b>	<b>Percentage change year on year</b>
<b>December 2015</b>	<b>3,476</b>	
<b>December 2016</b>	<b>4,771</b>	<b>37%</b>
<b>December 2017</b>	<b>6,182</b>	<b>30%</b>
<b>December 2018</b>	<b>10,712</b>	<b>73%</b>
<b>December 2019</b>	<b>14,869</b>	<b>39%</b>
<b>December 2020</b>	<b>22,521</b>	<b>51%</b>



**Ethnicity of main applicant on the public housing register and percentage of Maori applicants of all applicants year on year (December 2015-2019)**

Date	Number of Maori applicants	Total number of applicants	Percentage of Maori applicants of all applicants
December 2015	1,445	3,476	42%
December 2016	2,156	4,771	45%
December 2017	2,773	6,182	45%
December 2018	4,954	10,712	46%
December 2019	7,165	14,869	48%

**Increase in the number of applications on the public housing register 2015-2020**



		<p><b>Income related rent</b></p> <p>MSD data showing the number of tenants receiving an income related rent subsidy and those paying market rent across Kainga Ora and Community Housing Provider (CHP) tenancies as at June 2020:</p> <table border="1" data-bbox="633 363 1167 651"> <tr> <td>CHP IRRS</td> <td>7,638</td> </tr> <tr> <td>CHP Market Rent</td> <td>92</td> </tr> <tr> <td>Kāinga Ora IRRS</td> <td>61,005</td> </tr> <tr> <td>Kāinga Ora Market Rent</td> <td>1,215</td> </tr> </table>	CHP IRRS	7,638	CHP Market Rent	92	Kāinga Ora IRRS	61,005	Kāinga Ora Market Rent	1,215
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CHP Market Rent	92									
Kāinga Ora IRRS	61,005									
Kāinga Ora Market Rent	1,215									
7.	<p><b>Availability of quantitative or qualitative data to demonstrate success or failures of the Policy / Programme to achieve its stated aims</b></p>	<p>MSD collects a variety of data including ethnicity (and a certain amount of iwi-level data) which assists with the administration of the Social Security Act and associated regulations. This also allows us to better understand different segments of the population we serve and identify the characteristics of people who have positive and negative social outcomes as well as assessing the size and nature of any income inequalities. If required, further data can be supplied to assist the Tribunal.</p>								

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**KEI MUA I TE AROARO O TE RŌPŪ WHAKAMANA  
I TE TIRITI O WAITANGI**

**BEFORE THE WAITANGI TRIBUNAL**

**WAI 2750**

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**IN THE MATTER OF**                      **the Treaty of Waitangi Act 1975**

**AND**

**IN THE MATTER OF**                      **Kaupapa inquiry into claims concerning  
Housing Policy and Services**

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**EVIDENTIAL FACT SHEET  
TEMPORARY ADDITIONAL SUPPORT  
(TE MANATŪ WHAKAHIATO ORA –  
MINISTRY OF SOCIAL DEVELOPMENT)**

**5 Poutū-te-rangi | March 2021**

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**CROWN LAW**

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1.	<b>Basic information</b>	<p><b>Title of policy / programme:</b> Temporary Additional Support (<b>TAS</b>)</p> <p><b>Year introduced:</b> 1 April 2006</p> <p><b>Still current?:</b></p> <p>Yes</p> <p><b>Administering agency(ies):</b></p> <p>Ministry of Social Development (<b>MSD</b>)</p> <p><b>High level summary of policy/programme:</b></p> <p>TAS is temporary financial assistance paid to people who are having difficulty meeting their essential ongoing costs from their regular income. It is granted for a maximum of 13 weeks, during which time an applicant is expected to take reasonable steps to reduce their costs or increase their income. Subsequent grants can be made if a person continues to qualify.<sup>1</sup> In practice it is common that a recipient receives TAS for longer than 13 weeks.</p> <p><b>Overlapping/Related policies/programmes:</b></p> <p>Before receiving TAS, clients must ensure that they are accessing all other assistance available to them, which can include a main benefit, and Accommodation Supplement (AS) however being in receipt of a benefit or the AS is not a condition of eligibility.<sup>2</sup> TAS is most commonly taken up by AS recipients due to high housing costs of recipients.</p> <p><b>Other agencies involved in development, implementation, or ongoing administration:</b></p> <p>Nil</p>
2.	<b>Description of Policy / Programme</b>	<p>TAS provides a last resort payment for individuals facing financial hardship due to high essential costs related to housing, health, disability and consumer durables that cannot be met from their chargeable income<sup>3</sup> and other resources. Most recipients of TAS are also receiving a main benefit or AS, but this is not a condition of eligibility.</p> <p>It is designed to be temporary, but many people receive it for longer than the 13-week entitlement period as they are unable to increase their incomes or reduce their costs in this timeframe. TAS is understood to be frequently used to meet additional housing costs (over</p>

<sup>1</sup> MSD does not automatically keep paying TAS after the 13 weeks unless a re-application form has been lodged and approved.

<sup>2</sup> As at February 2021, there are just under 3,000 non-beneficiary households receiving TAS (i.e. they are not receiving a main benefit or NZS/VP).

<sup>3</sup> 'Chargeable income' is any income or earnings received by the applicant and, where applicable, their partner. This includes income after tax, including income from employment, social security benefits including supplementary benefits, income from investments, etc. See s 69 Social Security Regulations 2018.

and above the support that AS provides<sup>4</sup>) and additional costs related to health conditions and disabilities (above those covered by the Disability Allowance).

To be eligible a person must meet residency requirements. There is also a cash asset test<sup>5</sup> of \$1,113.36 for a single person and \$1,855.15 for a couple (as at 1 April 2020). Individuals must also be making reasonable efforts to reduce their expenditure and increase their income. Part of this last requirement is that they are also claiming other relevant payments including the A S and Disability Allowance.

The TAS payment formula is based around the concept that claimants should have a basic minimum amount of money after paying for their 'essential costs'. The amount of this basic minimum is referred to as 'standard costs' and is calculated as 70% of the relevant main benefit and unabated family tax credit. If a person has less money than their estimated 'standard costs' after paying for their 'essential costs' then the TAS payment is available to make-up this shortfall. The maximum payment rate is 30% of the relevant main benefit rate, with an additional increment for those also receiving the Disability Allowance. Where a client's income from other sources, such as main benefit or other supplementary assistance increases, TAS is abated accordingly.

The steps in the TAS payment calculation are set out below.

Step 1	Determine potential eligibility	Determine eligibility related to residency, cash assets and reasonable efforts.
Step 2	Assess chargeable <u>income</u>	Income from all sources including main benefit, supplementary payments, tax credits, and earnings etc
Step 3	Assess <u>essential costs</u>	Essential costs are defined to include those related to housing, health and disability, childcare, and costs related to household durables such as kitchen appliance, beds and laundry. There are specified maxima for many of these elements.
Step 4	Calculate <u>disposable income</u>	Disposable income = chargeable income - essential costs
Step 5	Calculate <u>standard costs</u>	Standard costs are 70% of rate of main rate and the

<sup>4</sup> See separate Evidential Fact Sheet on the Accommodation Supplement.

<sup>5</sup> A person cannot receive TAS if they (and if applicable their partner) have cash assets in excess of the specified limit. Cash assets include cash and assets that can be readily converted to cash. Cash assets do not include equity in the applicant's home, car or personal effects or funds locked into KiwiSaver or other superannuation schemes.

			relevant unabated rate of the family tax credit.
		Step 6	Calculate TAS deficiency TAS deficiency = standard costs - disposable income
		Step 7	Calculate value of TAS payment The TAS payment = either \$0 (if the TAS deficiency is less than \$1) or TAS deficiency (if less than maximum payment), or maximum payment). The maximum payment rate is 30% of the relevant main benefit rate, with an additional increment for those also receiving the Disability Allowance
		<p>Note: The TAS calculation deducts \$26.93 (as at 1 April 2020) from a client's accommodation costs. This is so that not all of their accommodation costs can be claimed for TAS (previously all accommodation costs were included in a discretionary Special Benefit (SPB) assessment).</p> <p>Further information on how TAS works is available at: <a href="http://workandincome.govt.nz">Temporary Additional Support (workandincome.govt.nz)</a></p>	
3.	<b>Outline of the process to develop this Policy / Programme</b>	<p>The discretionary Special Benefit (SPB), which was available from 14 October 1981<sup>6</sup> to 31 March 2006, was replaced with the rules-based TAS on 1 April 2006.<sup>7</sup></p> <p>A formula, similar to that used as a guideline for SPB, was used to establish the TAS formula. [Chargeable Income - Allowable Costs = Disposable Income] [Standard Costs – Disposable Income = Deficiency of Income]. Within the formula, standard costs were set at 70 percent of the unabated main benefit (plus family support where applicable).</p> <p>TAS was introduced to address many of the administrative, legal and fiscal risks that existed in SPB. The discretionary nature of SPB was thought necessary to assist case managers to tailor assistance to people in need, although the unintended consequence of discretion were inconsistencies in application, caveats and exceptions that make SPB difficult for case managers to administer consistently and for clients to understand. This led to significant fiscal, legal and administrative risks for MSD.</p> <p>The introduction of TAS was part of the 2004 Working for Families package which aimed to deliver substantial increases in assistance to families with dependent children (through Family Assistance and Childcare Assistance) and to increase assistance with</p>	

<sup>6</sup> The Supplementary Assistance Scheme had been introduced in 1951 and was renamed Additional Benefit in 1975. From 1975 until 14 October 1981, there was a discretionary component of the Additional Benefit. That discretionary component was renamed 'Special Benefit' in 1981.

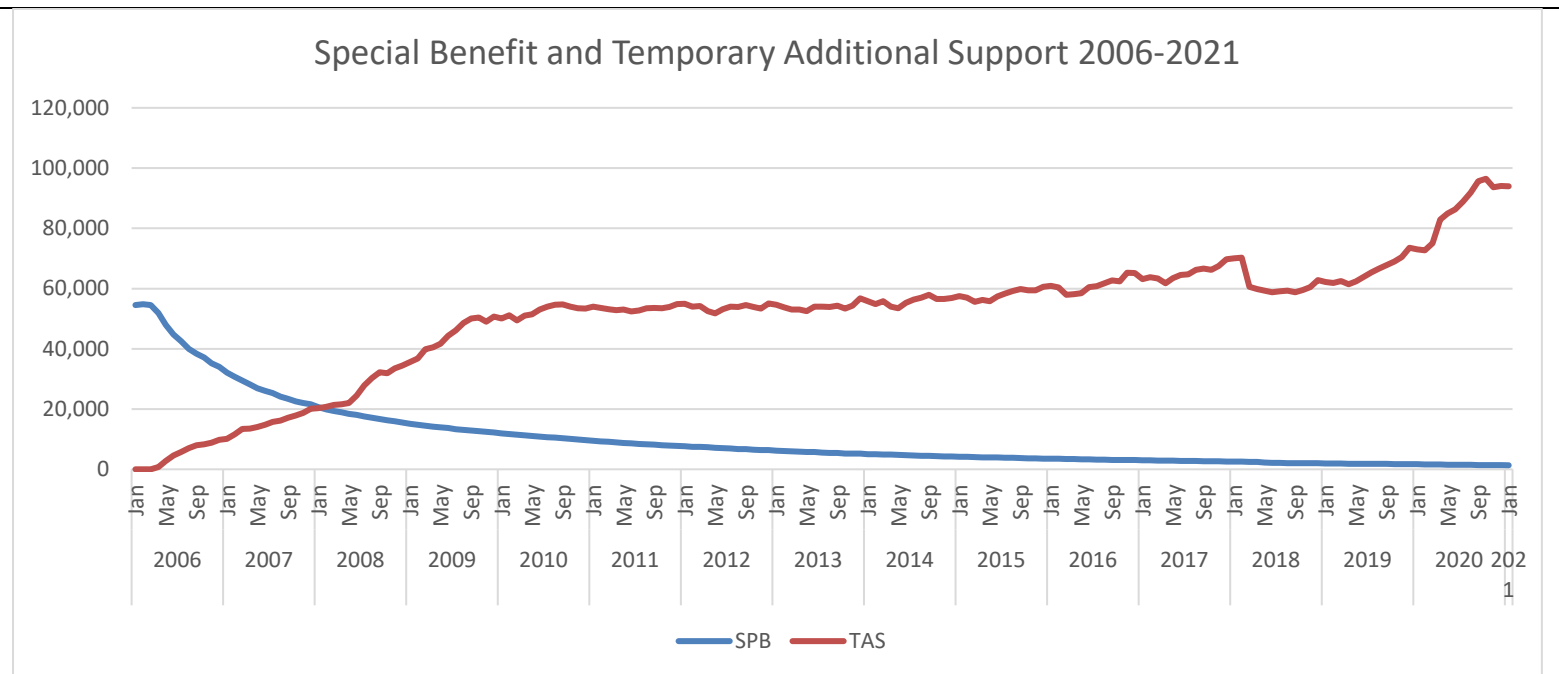
<sup>7</sup> Notwithstanding the replacement of the SPB with the TAS in 2006, the SPB was grandparented for existing recipients as at 31 March 2006. Those recipients could continue to receive SPB until their circumstances changed or they chose to receive TAS instead. As at January 2021 there are 1,338 recipients of the grandparented Special Benefit receiving an average payment of \$94.30 per week.

		<p>accommodation costs to many low to middle income families. These changes reduced the number of families facing financial hardship, and in turn the demand for TAS.</p> <p>Parliament legislated for the general principles of TAS in the Future Directions (Working for Families) Act 2004. The detailed eligibility criteria for TAS are contained in Regulations under the Social Security Act 2018 (Social Security Regulations 2018, Part 2, Subpart 10—Temporary additional support).</p> <p><b>Cabinet and Ministerial Decisions on the design of TAS</b></p> <table border="1" data-bbox="546 440 1854 692"> <tr> <td data-bbox="546 440 1200 692"> <p>Cabinet decisions (26 April 2004 [Cab Min (04) 13/4 refers]</p> </td> <td data-bbox="1200 440 1854 692"> <p>Ministerial clarification (3 May 2004) Minister of Finance, Minister for Social Development and Employment [REP/04/04/307 refers] under authority provided in [Cab Min (04) 13/4 recommendation 158]</p> </td> </tr> </table>	<p>Cabinet decisions (26 April 2004 [Cab Min (04) 13/4 refers]</p>	<p>Ministerial clarification (3 May 2004) Minister of Finance, Minister for Social Development and Employment [REP/04/04/307 refers] under authority provided in [Cab Min (04) 13/4 recommendation 158]</p>
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		<ol style="list-style-type: none"> <li>1. Replace Special Benefit from 1 April 2006 with a new benefit called Temporary Additional Support, similar to Special Benefit but with the following changes:             <ol style="list-style-type: none"> <li>1.1 a rules-based approach to eligibility to replace the highly discretionary provisions</li> <li>1.2 accommodation loading of \$20 per week which will require applicants to pay the first \$20 a week of their net accommodation costs from their regular income</li> <li>1.3 an upper limit on the amount of TAS that can be paid equal to 30 percent of the applicant's unabated main benefit</li> <li>1.4 standardisation of the amount allowed for applicants without dependent children to cover basic living costs at 70 percent of their unabated main benefit</li> <li>1.5 a limit of \$50 a week (CPI adjusted) on the amount that can be allowed in the assessment of eligibility for car repayments</li> </ol> </li> <li>2. grandparenting provisions (to be reviewed in February/March 2008) for any existing Special Benefits to ensure no one experiences a reduction in benefit from the introduction of TAS</li> <li>3. include grandparented Child Tax Credit payments and the In-Work Payment as income in TAS.</li> </ol>	<ol style="list-style-type: none"> <li>1. Some residual discretion in the TAS Regulations to refuse, reduce or cancel TAS where an applicant:             <ol style="list-style-type: none"> <li>1.1 arranges their circumstances to qualify</li> <li>1.2 fails to take reasonable steps to reduce their deficiency</li> <li>1.3 fails to exhaust other avenues of assistance</li> </ol> </li> <li>2. a definitive list of allowable costs</li> <li>3. details of a cash assets test</li> <li>4. the need for a time limit for grants of TAS</li> <li>5. provision for TAS to be granted in advance for up to three months as a lump sum</li> <li>6. TAS must be granted if there is a deficiency between chargeable income and allowable costs (unless there is a reason to exercise the discretion noted above)</li> <li>7. allow the Regulations to provide authority to exceed the 30 percent of main benefit upper limit if an applicant has essential disability or health related costs that qualify for the Disability Allowance but are in excess of the maximum rate of that allowance.</li> </ol>	
		<p>We have been unable to find evidence that targeted engagement and consultation with Māori, iwi or Māori interests groups occurred in the development of TAS policy. MSD consulted on TAS with the National Benefit Advocated Consultative Group, particularly on the definition of allowable costs.</p>		



4.	<b>Aims or Objectives of the Policy / Programme</b>	<p>As outlined in section 2 above - The purpose of temporary additional support is to provide temporary financial assistance as a last resort to alleviate the financial hardship of people whose essential costs cannot be met from their chargeable income and other resources, while ensuring that people seeking or granted that assistance take reasonable steps to reduce their costs or increase their chargeable incomes.</p> <p>When a client has living expenses that are sufficiently high, (e.g., high outgoings for rent), TAS can be used to further assist recipients of the AS.</p>
5.	<b>Outline of steps taken to implement the Policy / Programme</b>	<p>On 26 April 2004, as part of the Working for Families package, Cabinet agreed to replace the highly discretionary Special Benefit with a new rules-based benefit, called TAS [CAB Min (04) 13/4 refers].</p> <p>Implementation included operational and IT changes, and a public communication plan.</p>
6.	<b>Outline of monitoring and evaluation built into Policy / Programme</b>	<p>TAS is monitored annually with trends in receipt key social assistance payments and as part of the Families Package monitoring. Because TAS most often provides additional income to the AS for client's with high accommodation costs, it is monitored alongside AS.</p> <p>See the Families Package Monitoring report 2019 for information on the interactions between AS and TAS/SPB:</p> <p><a href="https://www.msd.govt.nz/publications/families-package-monitoring-report-2019">Families Package Monitoring Report - 2019 (msd.govt.nz)</a></p>
7.	<b>Availability of quantitative or qualitative data to demonstrate success or failures of the Policy / Programme to achieve its stated aims</b>	<p>As at end of January 2021, the number of households receiving TAS was 93,939. As noted in footnote 8 above, there remain a further 1,338 clients who continue to receive SPB under the grandparenting arrangements introduced with the implementation of TAS in 2006.</p> <p>The graph below shows the take-up of TAS since it replaced SPB in 2006.</p>



SPB was grandfathered for existing recipients as at 31 March 2006 and there are still a number of SPB recipients (1,338 recipients as at the end of January 2021)

### **Take-up of Temporary Additional Support**

In 2018, MSD undertook work analysing the level of take-up among eligible TAS recipients. A key issue for all welfare payments is that some people might not apply for assistance despite being eligible. The TAS payment has many characteristics that will likely cause low rates of take-up. Drawing on information from a small qualitative study it is evident that the complexity of the payment makes it very difficult for potential claimants to understand if they are eligible. The payment needs to be renewed every 13 weeks, and there is a requirement to inform MSD if there are changes to costs, income or personal circumstances.

One means of estimating take-up of TAS is to model eligibility using MSD's microsimulation model (MSIM). The MSIM model is based on data about all individuals who are receiving some form of payment from MSD in any given week.

MSIM estimates of the number of people who are eligible for TAS compared to those receiving the payment in early November 2018 suggests that as well as the current 60,476 recipients, there could be another 31,987 people eligible, meaning that the take-up rate might be as low as 65% of the eligible population. It is important however to stress that these estimates are approximations with a relatively wide margin of error.

		<p>In late 2018 a campaign was undertaken to assess a new way of proactively identifying and contacting people who might qualify for the payment. The campaign increased TAS applications and has been subsequently rolled out in a modified form as a continuing business process.</p> <p>MSD collects a variety of data including ethnicity (and a certain amount of iwi-level data) which assists with the administration of the Social Security Act and associated regulations. This also allows us to better understand different segments of the population we serve and identify the characteristics of people who have positive and negative social outcomes as well as assessing the size and nature of any income inequalities. If required, further data can be supplied to assist the Tribunal.</p>
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