



Joint Briefing

ESTABLISHING A PRIORITY ONE CATEGORY FOR EMERGENCY HOUSING CLIENTS ON THE HOUSING REGISTER

Date	14 December 2023	Priority	High
Tracking number	HUD2023-003317 REP/23/12/907		

ACTION SOUGHT FROM MINISTER(S)

Minister	Action sought	Deadline
Hon Chris Bishop Minister of Housing	Agree to use a fast track within the Housing Register to deliver Priority One	20 December 2023
Hon Louise Upston Minister for Social Development and Employment	Agree to the recommended scope of families included in Priority One	
Hon Tama Potaka Associate Minister of Housing (Social Housing)	For information	

CONTACT FOR DISCUSSION

Name	Position	Telephone	1st contact
Jeremy Steele	General Manager, Policy and Legislation Design, HUD	s 9(2)(a)	✓
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OTHER AGENCIES CONSULTED

Kāinga Ora – Homes and Communities

Date returned to HUD: [CLICK HERE TO ENTER A DATE.](#)



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ESTABLISHING A PRIORITY ONE CATEGORY FOR EMERGENCY HOUSING CLIENTS ON THE HOUSING REGISTER			
Minister(s) receiving	Hon Chris Bishop, Minister of Housing Hon Louise Upston, Minister for Social Development and Employment Hon Tama Potaka, Associate Minister of Housing (Social Housing)		
Date	14 December 2023	Priority	High
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Purpose and overview

1. You have indicated that your overall aim is to end large scale use of motels as emergency housing (EH) within three years and to take immediate steps to get families out of EH and into permanent housing more quickly. Achieving this will be challenging and require co-ordinated actions that focus on reducing the need for EH, supporting people when in EH and reducing the time spent in EH.
2. This paper focuses on one aspect of the broader response that will be required. It sets out a proposed approach to delivering on your 100-day plan commitment to:
 - "...establish a priority one category on the social housing waitlist to move families out of emergency housing into permanent homes more quickly".
3. To do this we propose establishing an additional "fast track" for the Social Allocation System (SAS) that would ensure families that meet eligibility criteria are prioritised within the Housing Register. The aim of fast tracking households with children meeting certain criteria is to stabilise their housing situation as quickly as possible and reduce the risk of poor, long-term outcomes.
4. To keep the scope of the "fast track" contained we recommend initially focusing on families with a dependent child or children:
 - who are in motels receiving an EH SNG for 12 weeks or more (as these are generally less suitable for children and do not include tailored support services available in TH motels)
 - in Contracted EH Motels in Rotorua (these are predominantly used instead of EH SNGs in Rotorua for families).
5. Currently there are between 800 and 1,100 households in EH who would be eligible for the proposed Priority One category.¹ The number of households will vary, given the constant flow of people through the system, and depending on the exact definitions applied to the category.

¹ This is a provisional estimate, which is subject to change following the finalisation of the eligibility criteria.



6. The “fast track” may assist housing families more quickly, but will be constrained by factors such as available housing supply, families’ specific needs, placement practices, and the complex needs these families have. The large number of eligible families will also impact overall ability to quickly house these families in permanent housing.
7. One of the key risks is that the fast track could create perverse incentives for people to access or stay in EH for extended periods to gain a place in social housing. Additional steps could be taken to mitigate these through practice around application, review and potential consequences if people do not meet obligations. It could also undermine the effectiveness of SAS leading to a core of single people with high needs remaining in EH.
8. As noted above, additional measures (a number of which are underway) alongside the fast track will be needed to reduce the time families spend in EH and get them into permanent housing. These include exploring options around placement/allocation practices, increasing housing supply, ensuring EH is only used where absolutely necessary and supporting locally-led place-based responses.
9. We will provide additional advice on a broader strategic approach to significantly reduce the use of motels as EH ^{s 9(2)(f)(iv)}

RECOMMENDED ACTIONS

10. It is recommended that you:
 - i. **Agree** to deliver Priority One as a fast track within the Housing Register. *Agree / Disagree*
 - ii. **Agree** to have this fast track implemented in the Housing Register within the 100 days period. *Agree / Disagree*
 - iii. **Agree** that the following groups are eligible for the Priority One fast track:
 - Families of an applicant with a dependent child or children, that have received an Emergency Housing Special Needs Grant for 12 weeks or more. *Agree / Disagree*
 - Families of an applicant with a dependent child or children living in Contracted Emergency Housing Motels in Rotorua for 12 weeks or more.
 - Families of an applicant with a dependent child or children who are not living with the applicant in emergency housing (that MSD has determined are a part of the applicant’s household).
 - iv. **Note** we will draft a Cabinet paper for joint Ministers to consider by the end of January 2024. *Noted*



- v. **Note** further detailed decisions will be required concurrently with the draft Cabinet paper, including on:
 - whether the 12 week period for defining eligibility is consecutive or cumulative. *Noted*
 - whether certain types of households are excluded from Priority One.
 - how to best meet the needs of those on existing fast tracks along with the new priority one fast tracks.

- vi. **Note** we will provide additional advice on a broader strategic approach to significantly reducing the use of motels as emergency housing by the end of March 2024. *Noted*

Anne Shaw
Deputy Chief Executive, System Design and Implementation, HUD
14 / 12 / 2023

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Deputy Chief Executive, Policy, MSD
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Hon Chris Bishop
Minister of Housing
..... / /

Hon Louise Upston
Minister for Social Development and Employment
..... / /



Context

11. The Emergency Housing (EH) system supports people with temporary accommodation via two main approaches:
 - Emergency Housing Special Needs Grants (EH SNG), administered by the Ministry of Social Development (MSD) – these fund the client to stay mainly in motels, support services, and can be granted for up to three weeks per grant period.
 - Transitional Housing (TH) – (around 6,100 places) TH and wrap-around support provided by contracted TH providers. Most TH places are in houses with full facilities, however there are 795 units in motels being used for this service. There is a focus on reducing the number of TH motel places.
12. **Annex A** provides more detail on the range of EH support. **Annex B** provides details on the customer journey through EH, TH, and Social Housing. It includes information on the responsibilities of MSD, and products and support services provided.
13. The number of EH SNGs and the number of motels has steadily reduced since the peak in November 2021. However, there are still high numbers and people are spending too long in EH motel accommodation:
 - for the month ending 31 October 2023, there were 3,327 households receiving EH SNGs including 3,408 children, and
 - 168 households in contracted EH motels in Rotorua, including 250 children.
14. EH is not an appropriate long-term environment for families with children, particularly where motels are used and where there aren't intensive supports. It is also a costly intervention – \$88.2 million was granted for EH SNGs in the quarter ending 30 September 2023.
15. We know that suitable, stable housing is a protective factor that can mitigate the risk of negative outcomes (for example, poor health or low levels of educational achievement) and is critical to the wellbeing of individuals, families and communities. It is also clear that poor housing conditions are associated with problems with health and wellbeing, reduced educational achievement and exposure to neglect, alcohol or drug abuse and victimisation. Long-stays in EH are more likely to lead to these types of outcomes.
16. People accessing EH SNGs frequently have acute and complex needs in addition to housing e.g., low income, mental health conditions, criminal offending history, or an Oranga Tamariki care and protection or youth justice event in their childhood.² Māori make up 60 percent of households receiving EH SNGs, and 50 percent of households in the Housing Register (the Register).
17. Ideally people identified with an urgent housing need would move as quickly as possible to a stable home in either social or private housing. However, currently many people are staying longer than expected in what is meant to be temporary housing.

² We note that single people are the largest household type in EH which the proposed the policy will not address. many single people in EH, have multiple and complex needs (e.g. mental health, addictions, and criminal history) that require ongoing support and mean that the private market is unlikely to house them.



Annex C provides an overview of potential pathways through the EH system, which are largely constrained due to limited supply.

Social Allocation System

18. The Social Allocation System (SAS) criteria looks at a client's need to move and tests a client's ability to access, afford and sustain non-government subsidised housing. Further information on the Register and placement processes are attached in **Annex D**. The Register currently has 25,539 applicants, of which 93.2 percent, or 23,811 applicants, were assessed as Priority A³ (at risk – a severe and persistent housing need that must be addressed immediately). The sheer number of people on the Register and assessed as at risk, coupled with general lack of affordable housing supply, means long waits to be housed (see **Annex E**).
19. Over 83 percent of all households receiving EH SNGs are on the Register or in the process of being assessed. Of those assessed as eligible, 11 percent are A19 and A20, 78 percent are A14-A18⁴ (compared with six percent and 60 percent respectively for non-EH households on the Register). High priority households may have a longer time to house in social housing as they have more complex needs and housing situations, as described in **para 16**.

We will provide additional advice on a broader strategic approach to significantly reduce the use of motels

20. To deliver on your aim of ending large scale use of motels within three years and getting families out of EH and into permanent housing more quickly will require co-ordinated actions that (see **Annex F** for detail):
 - reduce the need for EH in the first place (prevention actions including financial supports, support programmes and cross-agency actions to address risk factors)
 - ensure that people only access and continue to stay in EH where absolutely necessary (eligibility policy, obligations when in EH and operational practice)
 - ensure suitable EH options with appropriate supports are available when needed (TH or other supported housing options)
 - ensure people in EH are appropriately prioritised on the Register and receive appropriate support both while in EH, and to transition into sustainable and secure housing.
 - support people in EH to find and access alternative housing options
 - increase the supply of permanent housing options (whether social housing or private rentals).
21. Locally-led place-based responses will be important in responding to the specific factors in each location.

³ As at 30 November 2023.

⁴ The SAS assessment generates a priority and a score, which combine to create a more granular indicator of priority for social housing. The highest priority is A20, down to A9, then B15 to B8.



22. We will provide you with additional advice on a broader strategic approach to significantly reduce the use of motels by the end of March 2024 that covers the actions outlined above.

We recommend that a “fast track” is established to deliver the Priority One category

23. This paper focuses on one aspect of the broader response that will be required. It sets out a proposed approach to delivering on your 100-day plan commitment to:
- “...establish a priority one category on the social housing waitlist to move families out of EH into permanent homes more quickly”.
24. To do this we recommend creating an additional “fast track” for the SAS. Establishing a fast track would mean that any family that meets all relevant criteria would be fast tracked for the next suitable property, regardless of their priority rating as assessed through the SAS. The fast track will essentially prioritise eligible households above households with A20 (the highest rating) on the Register.⁵
25. We considered a range of options for meeting these objectives including amending SAS criteria and maintaining the *status quo* with the Register but looking at other parts of the social housing allocation process. These were discounted because:
- most EH clients are already on the Register and already receive higher SAS priority than non-EH applicants on the Register
 - reviewing the SAS criteria is a significant undertaking, which would not meet the desired timeframe (work on this could be progressed as a mid-term or long-term action to improve EH and broader social housing outcomes)
 - the *status quo* while a viable alternative, does not respond to the Government’s 100 days priority.
26. There are some key risks associated with a fast track that include creating perverse incentives to access and remain in EH and undermining the broader SAS. These are covered in more detail in **paragraphs 47-56**.
27. We note that there are existing much smaller fast tracks for people with children who are at risk of getting Rheumatic Fever and for caregivers of children who are in the custody of Oranga Tamariki, receiving an Orphan’s or Supported Child’s Benefit, or in a permanent care arrangement. Oranga Tamariki has noted the importance of this exiting ‘fast track’ and this category being retained as a priority for the public housing register. Further advice will be provided, alongside a draft Cabinet paper, on how to best meet the needs of those on existing fast tracks along with the new priority one fast track.⁶

⁵ While an eligible family would be fast tracked, they would still maintain their SAS rating, to prioritise within Priority One. A family in Priority One that subsequently update their status to be ineligible for the Register would also be removed from the fast track.

⁶ The families and whānau of children and young people in care, and care and youth justice experienced children and young people struggle to access the housing supports they need. This has been evidenced through two in-depth assessments of housing need under the cross-agency Oranga Tamariki Action Plan. A lack of safe, secure and



It is unclear how much impact the “fast track” in isolation will have on time to house for eligible families

28. The “fast track” will ensure that eligible families are identified as high priority within the Register and placed above A20 but does not guarantee they will be housed faster. This is because the length of time a family would need to wait (even if fast tracked) will be dependent on other factors including: how quickly a suitable property becomes available; what their specific needs are; readiness to be placed; the number of other people waiting who are also fast tracked and placement and allocation practices.
29. A key factor will be the supply of social housing and turnover of social housing places in the location that the family wants to be housed. Social housing availability varies significantly across regions. For example, placements in regions like Gisborne are relatively low (nine per month) but are much higher in Auckland (280 per month). **Annex E** contains further information on this.
30. For EH families with priority A15-A20, we cannot reliably advise on the impact of implementing a fast track in isolation, because this group still has housing difficulties associated with needs related to their high SAS priority. In isolation Priority One may make limited difference to time to house for this group.
31. For families that are lower priority (A10-14), being fast tracked could slightly reduce their time to house. In the context of exiting from motels, this benefit needs to be weighed against the cost and change required to implement Priority One, and alternatives that support this group out of EH.
32. As such it is critical that the fast track is supported by a range of other actions and a broader response to ending the large scale use of motels as EH.

Decisions on the eligible group for priority one

We are seeking decisions on key parameters to enable the design of the fast track.

33. In making recommendations around eligibility criteria for the Priority One fast track we considered the following:
 - impact of the fast track on other groups (outside Priority One) with high housing need – this will mean that others with high needs will be housed slower
 - impact on the overall functioning of the SAS – the larger the size of the Priority One group the more it undermines the overall effectiveness of the SAS
 - effectiveness of the fast track – a large group will dilute the impact of the fast track
 - level of need and urgency for differential treatment – focus should be on those in the least suitable accommodation and being most significantly impacted
 - mitigating perverse incentives and associated behavioural change.
34. We recommend that “**families**” are defined as those with at least one dependent child (including solo parents). Our starting position would be that this is focused on families

appropriate housing can lead to a child or young person spending an extended period of time in care, preventing their return to family and whānau.



with dependent children (under 18) living in EH. However, this definition could also include:

- families with children over the age of 18
- families with children living in other accommodation while the primary EH client lives in EH, and children in shared care arrangements.

35. Including children of all ages makes a clearer distinction from EH clients (singles and couples) without children; this may make implementing the policy simpler and faster initially.

36. We recommend “**emergency housing**” for the purposes of the fast track is initially limited to EH SNG clients in motels and other commercial accommodation (e.g., campgrounds, cabins) receiving EH SNGs and those in Rotorua CEH (see **Annex A** for more detail).⁷ This aims to limit the initial scope to improve effectiveness and the ability to prioritise before looking at a broader definition.

37. s 9(2)(f)(iv)



38. We recommend that to be eligible for the fast track families must have spent a specific amount of time in EH. We recommend that this is 12 weeks, however officials are working to determine whether 12 cumulative weeks or 12 consecutive weeks is preferable. Twelve cumulative weeks would include a further 200-250 families who have had one or more previous stays in EH, while using 12 continuous weeks would make designing, implementing, and tracking eligibility of Priority One more straightforward. We will provide further advice on this and seek your decisions on this point alongside a draft Cabinet paper.

39. We estimate that between 800 and 1,100 families (EH SNG and CEH) would meet the proposed high level criteria for a Priority One category as of October 2023. We will provide full analysis of the Priority One group based on confirmed scope to support Cabinet decisions. Table 1 below shows current eligible Priority One families in the five largest EH regions⁸ (**Annex E** includes further details).

⁷ Though included in earlier manifesto commitments, we have not included families in cars, as we do not have any systemic data on this population. Programmes such as Housing First and homelessness outreach services provide support to people in these situations.

⁸ Based on 12 weeks or more continuous stay in EH.



Table 1: Current eligible Priority One families in the five largest EH regions

TERRITORIAL OR LOCAL AUTHORITY	PRIORITY ONE FAMILIES - OCT 23
Auckland	232
Hamilton	185
Rotorua	100
Christchurch	74
Tauranga	44

Priority One families need to have the right supports and services

40. Support services play an important part in assisting people to exit EH and sustain a tenancy long-term in the private rental market. These services are especially important to support the growing number of people with multiple and complex challenges to transition into sustainable, secure housing. Where homelessness occurs, individuals and families need quick access to accommodation and support services to recover. Without proper supports, people can cycle in and out of homelessness several times.
41. We will provide additional advice on ensuring that Priority One families receive the right supports they need to sustain that housing and reduce the risk that they return to EH. This will include whether any changes to the MSD or Kāinga Ora approach to working with these families is needed to help them find permanent housing. Further information on this can be found in **Annex F**.

Placement and allocation practice needs to support the priority given to these families

42. When a social house becomes available for a new tenant, in most cases placement officers from Kāinga Ora and Community Housing Providers (CHPs) pull a prioritised shortlist of applications from the Register, and contact applicants on the shortlist in priority order to offer the house. CHP placement officers can exercise discretion to identify applications from the Register that suit the CHP and its services.
43. Alongside the draft Cabinet paper, we will provide advice on options to improve the placement/allocation process and ensure settings support co-ordinated placement approaches on the ground. This could include giving Kāinga Ora and CHP placement officers more discretion to approach EH families and support services to place them into suitable social housing (provided they are eligible). Further information is included in **Annex F**.

Place-based approaches are a key element

44. Our recent experience indicates that a key element in supporting people out of EH quickly is taking a locally-led place based approach. Actions to reduce EH are more



successful when we work out the different drivers and opportunities that contribute to reduce EH in each location, for example:

- In Hamilton, a joint community and agency approach to pilot multiple placement and support actions resulted in 101 exits from EH in August 2023, including a majority of exits into private rentals. Twenty-two households were placed into social housing.
- Place-based interventions in Hastings (increased housing supply, support services) have reduced EH to 28 households. As of October 2023, there are no families in Hastings that have been in EH for more than 12 weeks.
- In Rotorua there have been interventions such as CEH (which provides motels that support whānau with wraparound services and enabled MSD to take a planned approach to client placements in EH) and increased social housing construction – over 300 dwellings from Kāinga Ora and CHPs are expected by the end of the 2026 financial year.

We recommend additional measures to speed up exits to permanent housing

45. In addition to the actions discussed already we recommend additional measures alongside the fast track to reduce the time families spend in EH and get them in to permanent housing (see **Annex F** for detail). These include:
- exploring options to increase housing supply
 - exploring options for incentive payments or other supports to get people into private rentals (Social Bond) and working with them, where necessary, to sustain a private tenancy
46. These efforts can build off existing initiatives and manifesto commitments, described in **Annex G**.

We will need to actively manage perverse incentives

47. The Priority One fast track could create perverse incentives for people to access and stay in EH for extended periods to access social housing more quickly. This could lead to more people in EH and people declining other offers of permanent housing, which could increase the cost of EH.
48. Mitigation options could include:
- ensuring good screening practices for people entering the system
 - practice changes around regrants to ensure that EH is absolutely necessary
 - excluding households from the fast track that refuse reasonable offers of suitable non-social housing, including TH, and/or not taking reasonable steps to find alternative housing.
49. If these households were excluded, they would still be eligible for social housing under their assessed priority. Households that decline offers of social housing are already deprioritised for future allocation and placement. Households that are excluded from Priority One may still end up in long-term EH.



s 9(2)(f)(iv)

The proposal’s consistency with the New Zealand Bill of Rights Act 1990 (BORA) and the Human Rights Act 1993 will need to be assessed

51. The Public and Community Housing Management Act 1992 (PaCHMA) contains a provision (s 129) that MSD can, when operating the Register, consider a range of criteria to determine eligibility for, or the offering of, social housing, even when the effect is that people are treated differently on the basis of those criteria.⁹ This includes their marital status, disability, age, or family status. Further advice on this will be provided once you agree to the parameters of the proposal.

52. s 9(2)(h)

Implementation depends on scope of Priority One

53. We need to consider whether the proposal could be implemented as MSD operational policy, or whether it requires a new Ministerial Direction or an amendment to the current Ministerial Direction on Eligibility for Social Housing. Once you have indicated the scope of Priority One, we will provide you with advice about these options.

s 9(2)(g)(i)

54. s 9(2)(f)(iv) Concurrent with the Cabinet paper, we can provide further advice on implementation timeframes

Risks

55. As noted earlier there are a number of risks associated with implementing a Priority One fast track. Initial identified risks are outlined below (these will be updated as decisions are taken on scope and implementation progresses). In addition to creating perverse incentives risks include:

- The Priority One fast track doesn't lead to eligible families being housed more quickly, or has only marginal benefit.
- There is a risk that some groups may miss out on social housing, or have to wait longer, given the added weighting towards Priority One. For example, single people (the largest household type in EH), and families with children living in over-

⁹ Public and Community Housing Act 1992, s 129



crowded or substandard housing, who are potentially worse off than those in EH, who will effectively be deprioritised on the Register.

- Other risks we may need to assess include s 9(2)(g)(i) whether the policy disadvantages particular cohorts more than others within Priority One, and any risks to existing locally led programmes or iwi partnerships.

56. The key mitigation to these risks is further detailed policy and implementation work on the fast track including supporting evidence assessing the number of people housed off the Register each month, the number of existing fast tracks housed, and the number of families expected to be included in the new Priority One fast track. We will provide an update on these risks alongside a draft Cabinet paper.

Consultation

57. This advice has been prepared with input from Kāinga Ora.

Next steps

58. Decisions about the group included in Priority One will be used to provide detailed policy design, including assessment of impact, legal advice, and implementation.
59. A Cabinet paper on implementing Priority One has been requested by 26 February 2024. We will provide Ministers with a draft Cabinet paper by the end of January, including a briefing with any further decisions and recommendations required for the design of the fast track.
60. We will provide additional advice on a broader strategic approach to significantly reducing the use of motels as EH by the end of March 2024.

Annexes

Annex A: Types of emergency and government supported rental housing

Annex B: Housing Client Journey for EH, TH, and Social Housing

Annex C: Overview of the Emergency Housing System

Annex D: Housing Register Background

Annex E: Social and Emergency Housing data

Annex F: Additional measures to improve permanent housing of EH clients

Annex G: Other initiatives that will support your priority of ending the large-scale use of emergency housing

Annex A: Types of emergency and government supported rental housing

	EMERGENCY HOUSING (EH SNGs)	TRANSITIONAL HOUSING (TH) ¹	SOCIAL HOUSING
Description	A grant provided for short term emergency accommodation.	Temporary accommodation with wrap around support provided by Transitional Housing Providers (THP).	Rental accommodation provided by Kāinga Ora and Community Housing Providers under the Social Security Act where government pays a portion of the rent.
Type of accommodation	Mostly motels or other commercial accommodation e.g., campgrounds, cabins.	Various houses/townhouses/apartments but in some circumstances includes contracted motels.	Houses/townhouses/apartments.
Support Services	Limited support but MSD navigators, ready to rent and housing brokers are available to households to prepare and support them to move to permanent accommodation.	Support services provided by THPs to help clients into longer term housing and address underlying drivers of housing need. Support available for 12 weeks while in TH and 12 weeks following placement into permanent housing.	Services through Sustaining Tenancies, Housing First and Rapid Rehousing are available in limited circumstances. Transition to Alternative Housing Grant provides support for moving from social to private rental.
Numbers of places	3,327 households (on 31 October 2023).	6,105 places ² (as at 31 October 2023).	80,211 places (as at 31 October 2023).
Cost per place	\$2,056 per place per week (as at October 23).	Average total cost of around \$50,000 per place pa including services.	New build places are funded at an average of \$60,000 pa.
Intended length of stay	Short-term - Grant funds up to 21 days accommodation.	Medium term - 12 weeks accommodation for standard TH.	Long-term.
Government Funding	Actual spend of \$345m in FY22/23 Emergency Housing Special Needs Grant (EH SNGs).	Actual spend of \$319m in FY22/23. HUD funds THPs for accommodation and TH support services.	Actual spend of \$1,379m in FY22/23. Income Related Rent Subsidy (IRRS) - the difference between Income Related Rent (IRR) and Market Rent. Operating Supplement – paid in addition to IRRS to help enable new build supply.
Client contribution	About 25% of income after 7 days.	Up to 25% of income.	IRR assessment of 25% of their income.

OVERVIEW OF MOTELS FOR EMERGENCY AND TRANSITIONAL HOUSING

Motels used by EH SNG clients (~3,300 households)

- Limited ability to impose quality standards or controls. New EH SNG supplier standards recently introduced focus on safety, suitability, and the service provided to EH SNG clients. EH providers who opt in are given priority. While MSD set the standards, the agency is not a regulator in this space, and providers can choose to opt-in.
- Support services available include MSD funded navigators, Integrated Services Case Managers, ready to rent courses, flexible funding and housing brokers to prepare and support people to move to permanent accommodation.
- Tend to be mixed use with private motel users.

Contracted motels (~1,400 places)

- These are 11 Contracted Emergency Housing motels in Rotorua (CEH), 20 COVID motels³, and 51 TH motels.
- Contracting motels allows HUD to better manage motel standards and costs. There are active plans to decrease use of these motels.
- Motel standards, such as quality and appropriateness of facilities, are managed through HUD contracts.
- Tailored support services, provided alongside the accommodation, help households into longer term housing and address underlying drivers of housing need.
- Units in the motels are usually contracted by HUD for exclusive use, which means that mixing of different client groups can be avoided where it may raise safety concerns, and the provision of social supports can be facilitated.

Type of motel	Costs (contracted motels costs include supports)	Number as at 31 Oct 2023, (and peak)
EH SNG	\$2,056 per place per week for accommodation only	3,327 (4,983 households in Nov 2021)
Contracted Emergency Housing	s 9(2)(b)(ii), s 9(2)(j)	168 (195 households in February 2023)
COVID motels		396 (1,238 places in 2020)
TH Motels		795 (924 places in 2020)

¹ As well as regular Transitional housing (TH) there are 183 TH places specifically for Youth which has different costs and support services. Motels are not used for Youth TH.

² One household could have more than one motel place.

³ During the initial COVID lockdown in 2020 these motels were contracted so that housing providers could support people into accommodation. These were people sleeping rough or in unsuitable accommodation. These motels have been maintained to prevent a previously hard to reach population from returning to homelessness.

Annex B: Housing Client Journey for EH, TH, and Social Housing

Note: attached separately.



Emergency Housing | Customer Journey Map

MSD's purpose is to help someone relieve house-related stress

In Confidence

MSD	Establish immediate need	Explore alternative options	Transitional or contracted housing	Emergency Housing	Placed in EH - initial grant 1 to 7 nights	Follow up with Customer before the end of the previous grant	Alternative options
Customer Journey	Seek support	Understand Options Give them what they need Share documents & provide Application support	Referral to external provider	Receive application decision	Enters and stays in emergency housing for the initial grant period	MSD follows up to re-establish need and Explore alternative options and transitional housing	Remain in Emergency Housing or exit
Channel	Contact Centre Face-to-face	Contact Centre Face-to-face	Face-to-face	Contact Centre Face-to-face	Contact Centre Face-to-face	Face-to-face	Face-to-face
Responsibilities	<p>PREVENTION</p> <p>Understanding the customer and their families situation:</p> <ul style="list-style-type: none"> When they need a home Who they need to be housed with Do they need help to find a job <p>Supporting families to:</p> <ul style="list-style-type: none"> Remain in their existing accommodation Find any other adequate place to stay Connecting to employment products and services Increase income to afford accommodation 	<p>PREVENTION</p> <p>Understanding the customer and their families options:</p> <ul style="list-style-type: none"> Can they stay with friends or families Can they meet their need from their own resources <p>ENGAGEMENT AND SUPPORT</p> <p>Supporting families by:</p> <ul style="list-style-type: none"> Utilise other payments/services to ensure security of existing accommodation Referrals to Housing Broker Service Connecting to employment products and services <p>Contact Centre – During business hours a Straight to Processing task is added for Regional Services to continue the process</p>	<p>EARLY REFERRAL TO PROVIDERS</p> <p>Early referral through to Transitional Housing providers via THVMT or Sharefile.</p> <ul style="list-style-type: none"> Work plan and assigned case worker Works with contracted HUD providers MSD provides Ready to Rent programmes to support people in sustainable housing Connecting to employment products and services 	<p>EARLY RESPONSE</p> <p>Contact Centre – During after hours (Mon-Fri 5pm to 6pm, Sat 8am to 1pm), a phone call is made to the Manager Regional Housing before granting an EH SNG.</p>	<p>EARLY RESPONSE</p> <p>Discuss and provide the Customer handbook to support them with the responsibilities of MSD, Suppliers and themselves.</p> <p>Consistent appointments booked to ensure their needs are met and that they are meeting their obligations.</p> <p>Commence and complete the social housing assessment within 28 days of being in emergency housing to ensure social housing is an option.</p>	<p>ENGAGEMENT AND SUPPORT</p> <p>Assigned to an Integrated Services Case Manager</p> <ul style="list-style-type: none"> Connecting with Housing Navigators Supporting to find suitable, sustainable, long-term accommodation (With HSP and income supports) Social Housing Register Management Connecting to employment services Connecting with Housing Brokers Exploring applicable flexible funding options Connecting to other community supports and agencies <p>EARLY RESPONSE</p> <ul style="list-style-type: none"> Redirection of benefit for the emergency housing contribution. 	<p>ENGAGEMENT AND SUPPORT</p> <p>Regular Engagement with families to assess their needs and find options:</p> <ul style="list-style-type: none"> Referral to Support Services Referral to Work Broker Services Building Financial Capability
Products and services	<p>Supporting households with:</p> <ul style="list-style-type: none"> Accommodation Supplement Temporary Additional Support Main Benefits Hardship Payments Housing Support Products Housing Broker <p>Note: households refers to singles, couples and families with children</p>	<p>Supporting households with:</p> <ul style="list-style-type: none"> Housing Support Products Housing Broker Service 	<p>Supporting households with:</p> <ul style="list-style-type: none"> Housing Support Products 	<p>Supporting households with:</p> <ul style="list-style-type: none"> Emergency Housing Special Needs Grant Security Deposit Hardship Payments 	<p>Supporting households with:</p> <ul style="list-style-type: none"> Emergency Housing Special Needs Grant Security Deposit 	<ul style="list-style-type: none"> Emergency Housing Special Needs Grant Referral to Ready to Rent Programme Flexible Funding Assistance Employment opportunities 	
May Exit to	<p>Note: Throughout a customer's housing journey, they may remain, sustain or exit into private accommodation. MSD will provide the necessary supports based on the customer's needs.</p>		<p>TH Transitional Housing</p>			<p>SH Social Housing</p> <p>TH Transitional Housing</p>	<p>SH Social Housing</p>



Social Housing | Customer Journey Map

MSD's assesses and refers customers to social housing providers for placement

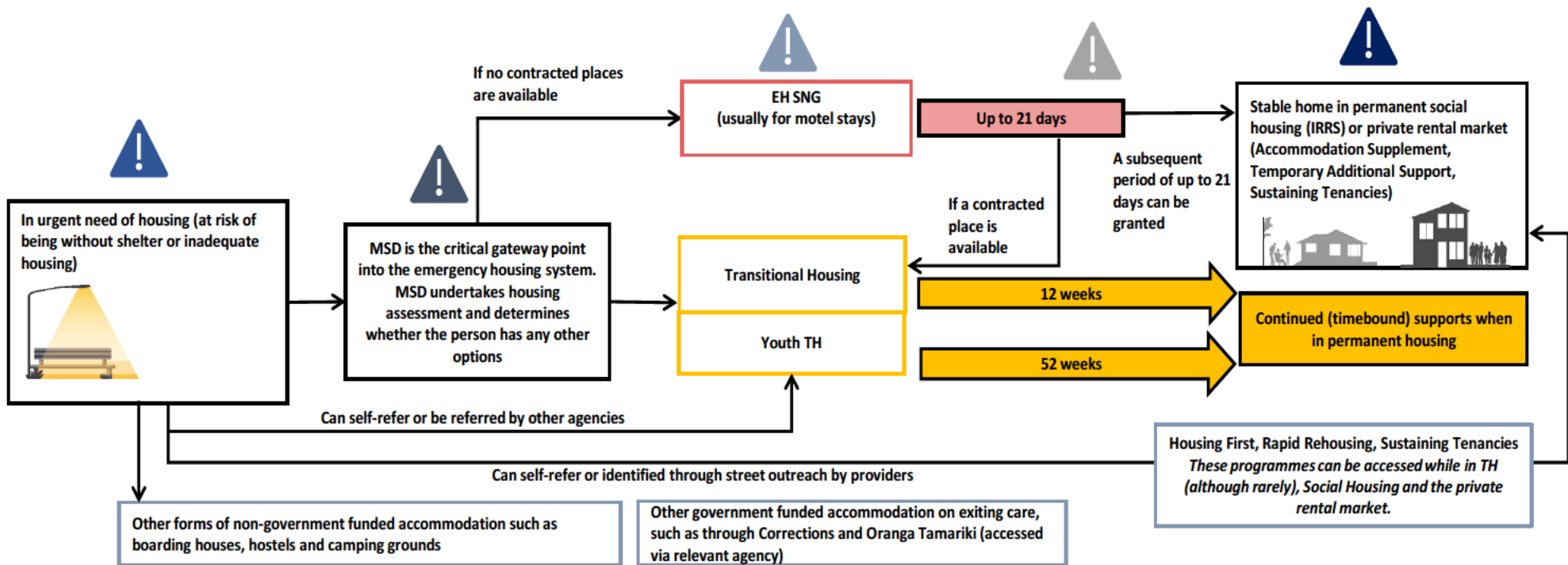
MSD	Housing Assessment	Register Management	SH Provider Receives Referral	Pre-Placement Support	Placement by SH Provider	IRR Management	Tenancy Review
Customer Journey	<ul style="list-style-type: none"> Application Support & Submit Share documents & proof 	<ul style="list-style-type: none"> Receive Application Decision Follow up with MSD with any changes 	<ul style="list-style-type: none"> Customer receives call about property then visits the property Accepts and signs tenancy agreement 	<ul style="list-style-type: none"> Application Support & Submit Share documents & proof 	Moves into the property	Pays Income Related Rent	Works with MSD to find alternative options
Channel	<ul style="list-style-type: none"> Over the phone Face-to-face 	<ul style="list-style-type: none"> Contact Centre MyMSD 	<ul style="list-style-type: none"> Back-end Processing 	<ul style="list-style-type: none"> Contact Centre Face-to-face 		<ul style="list-style-type: none"> Back-end Processing 	<ul style="list-style-type: none"> Face-to-face
Responsibilities	<p>EARLY RESPONSE</p> <p>Understanding the families situation to ensure their housing situation is reflective of their current needs and their priority is set:</p> <ul style="list-style-type: none"> Adequacy Suitability Affordability: Accessibility Sustainability <p>Connecting to employment products and services</p> <p>Fast track for children in care of Oranga Tamariki and/or Rheumatic Fever</p>	<p>ENGAGEMENT AND SUPPORT</p> <p>Ensuring that ongoing supports are in place for the transition And focusing on the employment needs of our customers</p> <ul style="list-style-type: none"> SH assessments updated regularly Regular meetings with KO to identify suitable placement and key opportunities in the supply pipeline. Relationship with KO to ensure high priority families are given priority placement. Help with storage where needed Staircase to employment, training or study 	<p>EARLY REFERRAL TO PROVIDERS</p> <p>Early referral through to Social Housing Providers.</p> <p>Work with the families to ensure they understand next steps and what is required.</p>	<p>ENGAGEMENT AND SUPPORT</p> <p>Ensuring that support to transition families into Social Housing is in place:</p> <ul style="list-style-type: none"> Support to help them move into social housing Help with Bond and Rent in Advance Redirection of benefit for Income-Related Rent If leaving Emergency Housing – ensuring the contribution and Income Related Rent do not overlap 		<p>ENGAGEMENT AND SUPPORT</p> <p>Ensuring that information about the families is updated and correct to ensure their Income Related Rent is correct.</p> <p>Ensure any overpayments are returned to the customer and underpayments are retrieved.</p> <p>Regular Engagement with families to assess their needs and find options:</p> <ul style="list-style-type: none"> Referral to Support Services Referral to Work Broker Services Building Financial Capability Working towards private rental 	<p>ENGAGEMENT AND SUPPORT</p> <p><i>Currently paused until March 2024</i></p> <p>Tenancy reviews check the customer is still eligible for social housing and that their property still meets their needs.</p> <p>We help those that are ready to move into private housing by providing products and services to help them transition.</p>
Products and services	<p>Supporting households with:</p> <ul style="list-style-type: none"> Accommodation Supplement Temporary Additional Support Main Benefits Hardship Payments Housing Support Products Employment products and services <p><i>Note: households refers to singles, couples and families with children</i></p>			<p>Supporting households with:</p> <ul style="list-style-type: none"> Housing Support Products Hardship payments 			<p>Supporting households with:</p> <ul style="list-style-type: none"> Housing Support Products Accommodation Supplement



Transitional Housing | Customer Journey Map

MSD's assesses and refers customers to Transitional Housing Providers

MSD	Check Availability	Complete Referral to Transitional Housing	Placement by TH provider
Customer Journey	customer is informed that a property is available	Customer is in contact with transitional housing provider	Customer moves into Transitional Housing
Channel	<div data-bbox="225 726 296 789"></div> Over the phone <div data-bbox="225 821 296 884"></div> Face-to-face		
Responsibilities	<p>EARLY RESPONSE</p> <p>Working with the families to understand their needs:</p> <ul style="list-style-type: none"> Household make up Determine appropriate Transitional Housing providers (e.g. specialise in mental health) <p>Engagement around employment opportunities and other income supports.</p>	<p>EARLY REFERRAL TO PROVIDERS</p> <p>Early referral through to Transitional Housing providers via THVMT or Sharefile.</p> <ul style="list-style-type: none"> Work plan and assigned case worker Works with contracted HUD providers MSD provides Ready to Rent programmes to support people in sustainable housing Suite of employment services and products to support to a better living 	<p>ENGAGEMENT AND SUPPORT</p> <p>Ensure customer has the necessary support to access Transitional Housing:</p> <ul style="list-style-type: none"> Redirection of benefit for TH contribution Moving costs Storage



! Housing pressures mean a high number of people are flowing into the system, although there are still many who do not approach MSD

! Most emergency housing clients are eligible for social housing, but are hard to place with the current supply

! Support is provided through Intensive Case Managers, Navigators, Housing Brokers, Ready-to-Rent programmes and the Flexible Fund, but it is often insufficient to meet high and complex needs

! Fast-tracks exist for people with children at risk of getting rheumatic fever and for caregivers of children who are in the custody of Oranga Tamariki, or in a permanent care arrangement.

! Pathways out of emergency housing are limited due to excess demand for Transitional Housing, Social Housing, affordable rentals and suitable alternatives

Annex D: Housing Register Background

1. At 31 October 2023 there were 25,434 applicants on the Housing Register, and 5,091 on the Transfer Register.
2. The Ministry of Social Development (MSD) is responsible for operating the Register, and the Ministry of Housing and Urban Development – Te Tūāpapa Kura Kāinga (HUD) is responsible for leading the development of policy advice, in consultation with MSD.
3. The Public and Community Housing Management Act 1992 (PaCHMA) provides the framework for income-related rent social housing eligibility. The criteria for assessing households for the Register are in the *Ministerial Direction on Eligibility for Social Housing*. Eligibility is based on age, residence, income and assets tests, and assessed housing need. The Ministerial Direction also sets out overcrowding guidelines that determine how many bedrooms are needed for applicant households.
4. Table 1 provides a high-level overview of process for the Register. Under the Ministerial Direction, MSD assesses housing needs of applicants and assigns a priority rating using the Social Allocation System (SAS). The assessment looks at an applicant's need to move, and their ability to afford, access, and sustain a private rental. To qualify for subsidised social housing, applicants must be assessed as having a housing need priority rating of either:
 - Priority A – applicants are considered to be 'at risk' and include households with a severe and persistent housing need that must be addressed immediately. Priority A applicants comprise 93 percent of all households on the Register.
 - Priority B – applicants with a 'serious housing need'. This includes households with a significant and persistent need.
5. The SAS assessment generates a priority and a score, which combine to create a more granular indicator of priority for social housing. The highest priority is A20, down to A9, then B15 to B8.
6. Registered applicants need to update and maintain their information on the Register while they wait for housing allocation. As suitable housing that is in the right location becomes available, housing providers (Kāinga Ora – Homes and Communities, and registered Community Housing Providers) generate lists of applicants from the Register, starting with fast tracked clients⁴ and the highest priorities. Applicants are then contacted, and further information gathered to enable a placement offer. Placements are tenancies under the Residential Tenancies Act 1986 (the RTA).

⁴ There are fast tracks for people with Rheumatic Fever and for caregivers of children transferring from Oranga Tamariki care.

Table 2: High-level overview of the end-to-end process for the Register

STAGE	KEY STEPS	CHANGES THAT COULD IMPROVE EXIT FROM EH
Screening	<ol style="list-style-type: none"> 1. An applicant calls MSD to apply for social housing or request a transfer. The MSD Contact Centre asks some initial questions to determine eligibility. For eligible applicants, the Contact Centre then books an assessment with a Case Manager Housing. 	<p>All EH clients are offered assessment for eligibility for the Housing Register</p>
Housing Needs Assessment	<ol style="list-style-type: none"> 2. A Case Manager Housing calls or meets with the applicant and uses the Social Allocation System ('SAS') to conduct a formal assessment. The SAS includes up to 300 questions to determine the applicant's circumstances and need. 	<p>Around three-quarters of EH clients are eligible for the Register</p>
	<ol style="list-style-type: none"> 3. The application receives a priority rating and a number of bedrooms and is added to the Register once MSD has verified the applicant's need. 	
Register maintenance	<ol style="list-style-type: none"> 4. While an application is pending, MSD periodically calls the applicant to check and update details. MSD removes an applicant from the Register if they ask to be removed, or if they are no longer eligible. If MSD cannot contact an applicant, they are removed from the Register after MSD has texted, called up to five times, sent a letter, and called on one final attempt. This process takes around 11 weeks. 	<p>Priority One would automatically fast track families on the Register for housing once they have received EH SNG for 12 consecutive weeks and are housed in a motel.</p> <p>TH and other housing support services (e.g. Rapid rehousing) are available to assist EH clients into private rentals or social housing.</p>
	<ol style="list-style-type: none"> 5. Applicants may also call MSD to notify of changes in their circumstances and to request updates to their application. 	
Placement	<ol style="list-style-type: none"> 6. When a house becomes available for a new tenant, in most cases placement officers from Kāinga Ora and CHPs pull a prioritised shortlist of applications from the Register, and contact applicants on the shortlist in priority order to offer the house. 	<p>Kāinga Ora and CHP placement officers could be given more discretion to approach EH families and support services to place them into suitable social housing (provided they are eligible)</p>
	<ol style="list-style-type: none"> 7. CHP placement officers can exercise discretion to identify applications from the Register that suit the CHP and its services. 	
	<ol style="list-style-type: none"> 8. When a suitable applicant is found, a tenancy begins and the application is removed from the Register 	

Annex E: Social and Emergency Housing data

Table 3: Placement into IRRS-social housing in example emergency housing Territorial or Local Authorities

TERRITORIAL OR LOCAL AUTHORITY	SOCIAL HOUSING OCCUPIED HOMES	PLACEMENTS – 12 MONTHS TO OCT 23	MONTHLY AVERAGE PLACEMENTS	PRIORITY ONE FAMILIES OCT 23
Auckland	35,962	3369	280	232
Hamilton	3,583	297	25	185
Tauranga	1,654	305	25	s 9(2)(a)
Rotorua	936	186	15	*100
Gisborne	1,289	91	8	s 9(2)(a)
Napier	1,467	58	5	
Wellington	2,061	254	21	
Christchurch	8,209	969	80	74
Far North	671	88	7	s 9(2)(a)

* Rotorua includes CEH families. Five Priority One families are in EH SNG motels.

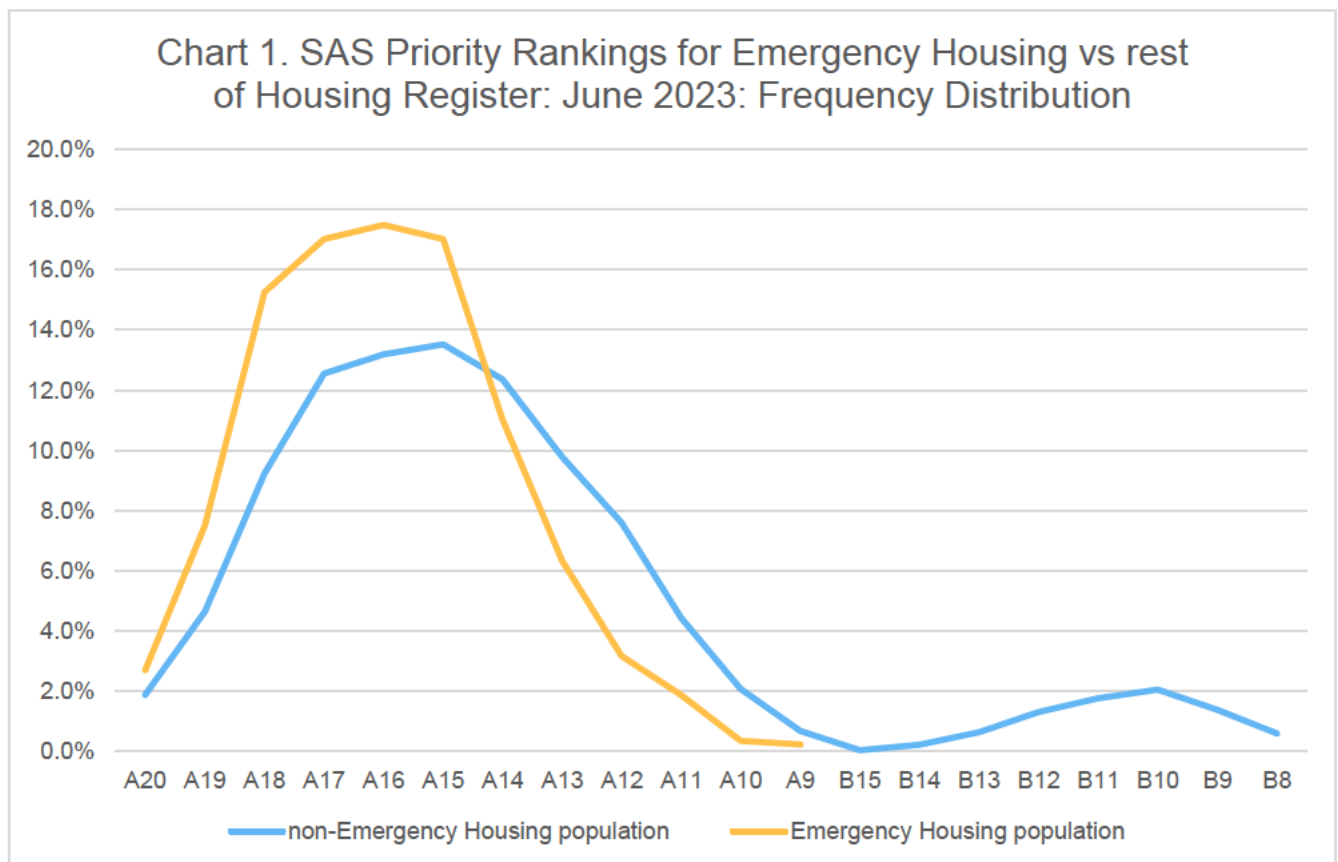
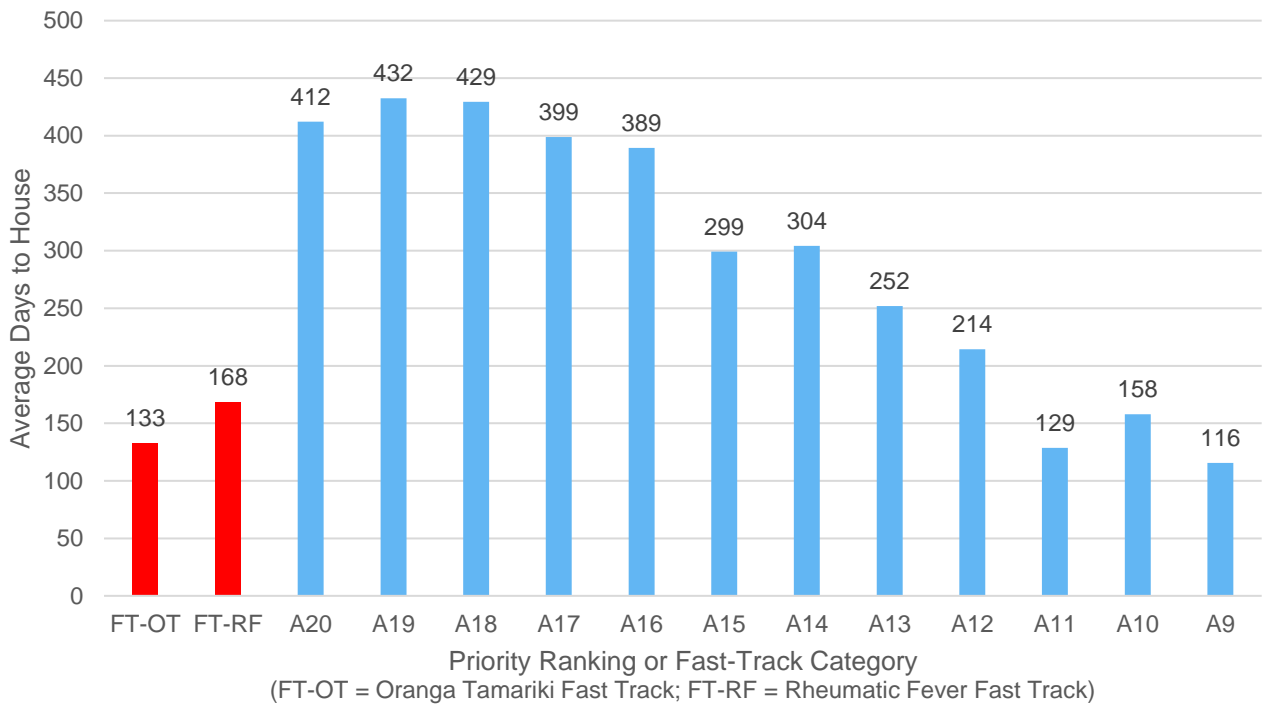


Chart 2. Average Days to House by Priority Ranking: Sept 2022 - Sept 2023 Placements



Annex F: Additional measures to improve permanent housing of EH clients

Exploring options to increase supply in key locations

1. One of the key drivers of demand for social and EH is the lack of alternative housing options in the private market, including a sustained undersupply of affordable rentals. IRRS-social housing delivery and turnover varies considerably by location and is one of the key constraints to housing people from the Register.
2. Development economics and the social housing planning and funding models drive social housing delivery more effectively in some regions. For example:
 - In Auckland and Christchurch, there is potentially sufficient turnover in existing social housing, short term vacancies and new supply to absorb this policy, provided Priority One families have the support needed to move into suitable and sustainable housing.
 - In Rotorua and Hamilton, recent and forthcoming social housing delivery is helping to alleviate EH but needs sustained growth to provide housing to other households on the Register.
 - In places like Gisborne and Tauranga with low new supply and lower turnover in existing social housing, Priority One may not improve housing outcomes for EH clients and may affect placement for others on the Register.
 - In smaller population areas (an example is the Buller District), turnover and available social housing supply are so low that suitable houses will not be available, and a specific housing approach may be needed for some families.
3. New social housing supply has recently skewed towards one and two-bedroom dwellings, reflecting that half of people on the Register are single-people households requiring fewer bedrooms. Changing new supply to provide for families could be considered but would be a longer-term action.
4. There are other social housing supply options that depend on regional housing situations. s 9(2)(f)(iv)

Ensuring support services are available, both while in EH and as people move to permanent housing

5. MSD developed a range of services intended to prevent people from needing EH, support people while in EH, and support people to exit EH and transition into sustainable secure housing. These services include Integrated Services Case Managers, Contracted Navigator services, Flexible Funding, Ready to Rent courses, and Housing Brokers, and have time limited funding to 30 June 2024.
6. In addition, MSD's Housing Support Products are income and asset-tested recoverable assistance aimed at addressing barriers to accessing or retaining housing. Housing Support Products provide financial assistance with the costs of obtaining and maintaining a private tenancy and are important in keeping people out of EH (sustaining their tenancy) and helping people in EH to obtain a private tenancy.

Housing Support Products include the Bond Grant, Moving Costs Grant, Rent in Advance Grant and Rent Arrears Grant, as well as Tenancy Costs Cover.

Exploring options to improve the placement and/or allocation process and ensure settings support co-ordinated placement approaches on the ground

7. Kāinga Ora houses its Business Initiated Transfers first – any households that are moved to enable redevelopment, maintenance, or disposal of existing housing stock. Then it considers fast tracked and highest priority households on the Register that match bedroom and location needs and works to join up the right household for each opportunity. As a result, Kāinga Ora house a higher proportion of high priority applicants compared to Community Housing Providers (CHPs) which mostly use the same approach. However, as many CHPs have target groups (e.g., elderly or disabled people), they have more discretion to house people they know are eligible for social housing, or that fit with its target housing group, without first considering others with higher priority on the Register.
8. Exits from EH can be achieved by giving housing providers discretion to form links to EH clients that are eligible for IRRS-social housing, regardless of SAS rating (as they are all Priority A). Enabling this discretion has helped in place-based approaches to EH.
9. s 9(2)(f)(iv) and s9(2)(g)(i)
[Redacted]

Exploring options for incentive payments or other support to get people into private rentals

10. As part of the 2023 National Party manifesto, you committed to establishing a Social Impact Bond to “contract with providers or consortia who can shift families out of EH into secure homes in the short term and keep them there in the medium and long-term.”
11. Advice on social investment opportunities, including Social Impact Bonds, are currently being worked on by Treasury. There are also opportunities for the Ministry of Housing and Urban Development (HUD) to explore options that would support social investment work, [Redacted]

s 9(2)(f)(iv)

[Redacted]

Ensuring need for EH at application and review

12. MSD has recently made changes to EH gateway settings through improving operational policy guidance and practice, but there are opportunities for further improvement. There is an opportunity to look at EH gateway further, augmenting operational and practice changes, and considering changes to eligibility settings (including what happens to people evicted from Kāinga Ora tenancies).
13. Areas of focus could include ensuring at-risk cohorts access more suitable forms of housing rather than EH SNG accommodation, such as families with children and those aged 16 to 17 years old. This would align with the Government's commitment to require families receiving EH grants to use those grants in the area they are currently living, unless there is good reason.
14. To support these changes, MSD can access data providing insights on people in EH and the specialised supports that can help them transition to secure housing.

Annex G: Other initiatives that will support your priority of ending the large-scale use of emergency housing

Your Manifesto commitments	Description
Social Impact Bond	§ 9(2)(f)(iv) Policy to be developed, led by Treasury.
Exiting Rotorua motels	Plan to exit Rotorua motels.
Other work underway	Description
Enhancing EH SNG standards and processes	New EH SNG supplier standards recently introduced focus on safety, suitability, and the service provided to EH SNG clients. EH providers who opt in are given priority. While MSD set the standards, the agency is not a regulator in this space, and providers can choose to opt-in.
§ 9(2)(f)(iv) social support services	§ 9(2)(f) existing supports for EH SNG clients, including intensive support services, housing brokers, ready to rent programmes, and flexible funding through to 30 June 2024.
Taking a place-based approach with local stakeholders to collectively solve issues and focus resources	§ 9(2)(f)(iv)
Support for clients with an urgent housing need as they transition from other systems	A range of cross agency initiatives to support those transitioning from the child protection, health, and justice systems to prevent them from ending up in emergency housing.
Addressing housing deprivation	In areas with high levels of housing deprivation amongst Māori, a range of new supply– including social housing and affordable rental homes – is being brought on.
Delivery of new housing supply	Continuing to bring on additional housing places should present greater opportunities for people to find themselves in more stable and sustainable tenancies.