



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

Ms Hartley

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Tēnā koe Ms Hartley

On 24 July 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act) information regarding Housing in New Zealand.

On 20 August 2021, the Ministry contacted you to advise that more time was required to make a decision on your request. You were advised that a decision would be with you on or after the 30 September 2021.

On 30 September 2021, the Ministry contacted you and advised that your request had been granted and that a response would be with you on or before the 25 November 2021.

For the sake of clarity, the Ministry will respond to your request in turn.

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

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

After these seven nights Work and Income arrange another appointment with the client to discuss their housing situation and if another grant is required. The Ministry works hard to support people in Emergency Housing to secure a long-term housing solution, either through public housing or private rental accommodation. Other options including transitional housing can also be explored as an option depending on availability and the individual's circumstances.

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

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

Ministry does not hold any contracts or official agreements or arrangements with any Emergency Housing provider.

There are also a distinct group of people that face a range of complex issues that are a barrier, such as mental health and addictions, criminal history, or family violence. There are still others that need to live in a specific area, due to the need to access specialist care or educational needs for them or their family.

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

There has been a growing demand nationally for Emergency Housing, as the shortage of affordable housing and rising rents continues to impact low-income whānau, particularly those who are beneficiaries. The year 2020 saw a significant increase in demand for Emergency Housing, as the Ministry supported people through the COVID-19 lockdown restrictions, people also could not easily move out of Emergency Housing into long-term accommodation, which contributed to longer durations of stays and higher costs.

The EH SNG was introduced on 1 July 2016 in order to fund temporary accommodation at places such as hostels and motels to meet people's immediate housing needs. Prior to the 2016 December quarter, Emergency Housing grants were coded in the Ministry's IT system as 'other emergency grants', which includes hardship grants for various other emergency reasons. The Ministry cannot disaggregate Emergency Housing hardship payments from other types of assistance granted under the 'other emergency grants' category and any information regarding Emergency Housing grant payments prior to the December 2016 quarter is recorded in notes on individual case files.

Please find further information relating to your request at the following links:

Public Housing Quarterly reports:

www.hud.govt.nz/research-and-publications/statistics-and-research/public-housing-reports/.

The number of clients receiving a EH SNG in the March 2021 quarter, broken down by age: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/june/20210601-how-many-people-are-currently-in-emergency-housing-motels-in-new-zealand-broken-down-by-region-and-age.pdf.

Information relating to damages at Emergency Housing:

www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/june/20210615-could-i-please-request-all-information-regarding-emergency-housing.pdf.

Information relating to the limitations of staying in Emergency Housing:

www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/june/20210621-questions-regarding-limitations-of-staying-in-emergency-housing.pdf.

1. *How many household weeks of emergency accommodation have been purchased by MSD during 2020 and 2021? (To clarify, if 1 family were housed for 6 weeks, and 2 families were housed for 1 week each and a couple were in a hotel room for 10 weeks, the total household weeks would equal 18 household weeks)*

To gather the information requested in question one, the Ministry would have to manually review client files to gather how many household weeks have been granted during 2020 and 2021. As such, this part of your request is refused under section 18(f) of the Act.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

2. *I would like to know the number of household weeks by calendar year along with the total amount spend by calendar year.*

As advised in question one, the Ministry cannot provide you with the number of household weeks that are granted. However, the Ministry has interpreted question two to be, a request for the total amount granted per year.

Please see enclosed in **Appendix A** the following three tables to answer question two of your request:

- **Table One:** The number of clients, number of grants and total amount granted for EH SNGs in the financial year 2020, broken down by quarter.
- **Table Two:** The number of clients, number of grants and total amount granted for EH SNGs in the financial year 2021, broken down by quarter.
- **Table Three:** The average length of stay for clients receiving EH SNGs in the financial year ending 2020 and 2021, broken down by financial year.

Please note that the Ministry reports on EH SNGs on a quarterly basis, and therefore the information has been provided to you by financial years rather than calendar years.

3. *What research has gone into other ways to solve the current housing crisis using this money, including what options were considered and whether these other options were approved as better options or declined and the reason for being declined.*

The 2020 Aotearoa New Zealand Homelessness Action Plans sets out the government's plan to significantly reduce homelessness and the range of actions that are being implemented to realise the vision that homelessness is prevented where possible, or is rare, brief and non-recurring. Addressing homelessness requires both initiatives to prevent homelessness and support individuals and whanau as well as increasing the supply of appropriate housing. The Action Plan and associated reports (progress reports and Cabinet papers) can be found at the following link: www.hud.govt.nz/community-and-public-housing/addressing-homelessness/aotearoa-homelessness-action-plan-2020-2023/.

The Government has recently considered changes to the Emergency Housing model and a new initiative for delivering Emergency Housing in Rotorua is currently being

rolled out. This involves a partnership between Government, Rotorua Lakes Council, Te Arawa Iwi and government agencies. Key components of the initiative include contracting temporary accommodation, rather than using EH SNGs, contracting additional services to support people in Emergency Housing and establishing the Rotorua Housing Hub – Te Pokapu – a single point of contact for individuals and whanau with Emergency Housing needs in Rotorua.

4. *Is Emergency Housing costing in the vicinity of \$4000 per week? And families can be in EH for upwards of 6 months and whether the claims that some households have been in EH for as long as 2 years are factual?*

The cost of the accommodation is set by the supplier based on market rates influenced by a range of factors including demand, the size of the household requiring accommodation and the region it is located in. As such, this part of your request has been refused under section 18(g) of the Act as the information you have requested is not held by the Ministry and I have no grounds to believe that the information is held by another department or Minister of the Crown or organisation.

In the spirit of being helpful, please see at the following link the top 10 providers that received a EH SNG: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/june/20210615-request-to-know-the-top-10-eh-providers-in-each-region-who-charged-the-highest-per-week-and-eh-information-in-central-wellington-along-side-any-damages-in-eh.pdf.

5. *Request for all information that is available for release relating to any and all investigations and considerations the government has given to other ways to use the money that is currently being spent on emergency accommodation.*
6. *I would also like to request all details of what efforts MSD and or other gov departments tasked with EH to obtain reports, recommendations or studies?*

Please see enclosed in the response the following reports that have fallen in scope of your request:

- *REP/21/5/465 – Aide-mémoire: Oral item on transforming Emergency Housing in New Zealand – dated 12 May 2021*
- *REP/21/5/461 – Update on Emergency Housing in Rotorua – dated 13 May 2021*
- *BRF20/21050966 – Briefing – Proposed scope of Cabinet paper on improving the provision of emergency housing – dated 19 May 2021*
- *REP/21/6/586 – Aide-mémoire: Draft Cabinet paper: Improving the provision of emergency housing in Rotorua and potential expansion - dated 4 June 2021*
- *REP/21/6/616 – Aide-mémoire: Cabinet Business Committee – Improving the provision of emergency housing in Rotorua and potential expansion – dated 11 June 2021*
- *REP/21/6/608 – Emergency Housing: Progress on implementing improvements and reporting – dated 14 June 2021*
- *REP/21/5/557 – Graphic Appendix Oral item on Emergency Housing A3s*

You will note that the names and phone numbers of some individuals are withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The

need to protect the privacy of these individuals outweighs any public interest in this information.

Further, please note that some information is withheld under section 9(2)(f)(iv) of the Act as it is under active consideration. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

Some information is also withheld under section 9(2)(j) of the Act, to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage negotiations.

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

7. I request details of any other efforts that have been initiated by MSD/the government to ensure they were aware of all the alternative options to manage the need for emergency accommodation in both the short and long term, that the funds could have been spent on.

Addressing urgent housing need and reducing expenditure on EH SNGs requires a range of interventions to expand the supply of affordable and appropriate housing for lower income households.

Alongside this, it is important that vulnerable households, many with complex needs, get the support and services they require and assistance to obtain and maintain rental housing. The Government is progressing a number of initiatives in this space, including expanding the provision of public housing and transitional housing, establishing the affordable housing fund and implementing a range of initiatives to encourage the provision of new housing supply across the housing market.

Recent initiatives have also increased the incomes of New Zealand's lowest income households (increases to rates of main social security benefits, changes to benefit abatement rules and increases to the minimum wage). These changes help to make housing more affordable for these households. Please see below some key information:

Actions to increase the supply of housing to reduce the reliance on motels for emergency accommodation: www.hud.govt.nz/assets/Community-and-Public-Housing/Support-for-people-in-need/Homelessness-Action-Plan/01f7687faf/Cabinet-Minute-Increasing-Supply-in-the-Short-Term-to-Reduce-Reliance-on-Motels.pdf.

The Public Housing Plan sets out the government's plan to delivery 8,000 additional public housing and transitional housing places by 2024:

www.hud.govt.nz/assets/Community-and-Public-Housing/Increasing-Public-Housing/Public-Housing-Plan/Public-Housing-Plan-2021-2024-web.pdf.

8. I would like to know in as much specific detail as possible, what efforts were made to ensure the money has been spent in the best way possible. And if no effort has been made to source this information I would like to understand why?

The EH SNG is a payment made to a qualifying person under the Special Needs Grants Ministerial Welfare Programme. These are payments of special assistance made under the provision of section 101 of the Social Security Act 2018.

The Ministry is tasked with administering EH SNGs to ensure that payments are made to eligible people in line with government policy and the law. The Ministry has various internal controls and audit processes to ensure that decisions made on the payment of financial assistance align with government policy and the law. There are also review and appeal processes available to clients who do not agree with a decision made by the Ministry.

While the purpose of EH SNGs is to provide financial assistance with the cost of short-term accommodation where no other suitable accommodation options are available, the eligibility rules provide that people who have contributed to their homelessness, including making insufficient efforts to obtain alternative housing, are required to repay any EH SNG that they receive.

To remove a possible incentive to enter Emergency Housing or a disincentive to leave Emergency Housing, a client contribution for Emergency Housing was introduced from October 2020. The client contribution is calculated as 25 percent of their household income. This aligns with the contribution required by people in transitional housing and public housing. The client contribution is paid directly to the Ministry and for a client who is a beneficiary it is redirected from their benefit payments. These provisions ensure equity between all forms of government-assisted housing and reinforce that the EH SNG is provided to people who have an immediate and genuine need.

9. Has the government considered the purchase of large pieces of currently rural/lifestyle block zoned land on the outskirts of main centers a cost of approximately \$130-\$180k for each house and land, plus relocation costs, and any other costs to set up services to each individual block of land?

The Ministry has contacted Kāinga Ora (KO) in regard to this question, and they have advised that while KO does buy the land, they are focussed on providing housing in areas of highest need.

More importantly, KO is working to better utilise the land it currently owns across New Zealand, increasing the density of housing, in keeping with changing council guidelines and district plans. This is the largest investment by the New Zealand government in its housing stock for decades.

Further information about the latest developments can be found on KO's website at the following link: kaingaora.govt.nz/developments-and-programmes/.

10. I would like to request evidence that these sort of legislation changes have been considered and where objections were likely, the objections were considered within the same methodology as used during the COVID crisis.

Changes to the Special Needs Grants Ministerial Welfare Programme (such as the changes in October 2020 to introduce a client contribution for recipients of the EH SNG) are approved by the Minister for Social Development and Employment. Once approved, the changes are tabled in Parliament, and published in the New Zealand Gazette and on the Ministry's website. This ensures that changes to policy and legislation are transparent.

11. Has the government also considered doing a similar project in areas where there has been horticultural or farming employers crying out for staff, so that people in housing need who would thrive in a rural environment can relocate to regions and smaller towns which have demonstrated a significant need for staff?

The Ministry has not contracted any housing or motel operators in rural areas to provide housing for seasonal workers. However, the Ministry has implemented several initiatives in partnership with the horticulture and viticulture industries to increase the number of New Zealanders undertaking seasonal work.

New Zealand Seasonal Work Scheme (NZSWS)

NZSWS support people who want to take up seasonal horticulture or viticulture work of six weeks or more and require support. The Seasonal Work Scheme is made up of three types of support, and someone can receive more than one type, depending on their situation. It includes supporting New Zealanders to relocate to a seasonal region, along with accommodation payments, payments for gear or equipment required for the role, daily transport costs and an incentive payment (for work of six weeks or longer).

The Ministry has also expanded eligibility for transport assistance under the NZSWS, which allows for more locals to take up seasonal work.

Seasonal Work Assistance Payments (SWAP)

SWAP provides financial assistance for seasonal workers who are no longer getting a benefit and have lost wages because of work missed due to bad weather. Someone may receive Seasonal Work Assistance if:

- They stopped getting a benefit within the last 26 weeks to go into seasonal horticultural work;
- Have lost wages because they could not work due to bad weather; and
- Are a New Zealand citizen or permanent resident.

Seasonal Work Assistance

The Ministry also supports the Seasonal Work Assistance website which connects New Zealander with seasonal employers and accommodation options across New Zealand.

More information on the Seasonal Work Assistance can be found at the following link: www.workandincome.govt.nz/products/a-z-benefits/seasonal-work-assistance.html.

12. *I would like to know how much money is being spent on emergency accommodation and an explanation as to why this amount of money is being spent on temporary accommodation when it seems to me it would be very easy and quick for a motivated person in government to source some land and some of the already built housing, that is being offered for purchase on numerous websites such as trade me, and out this money to significantly better use with a far better outcome in the short term as well as contributing to the long term resolution.*

Please refer to the three tables in **Appendix A** for the answer to question 12 of your request, alongside the contextual information that was provided in the beginning of our response.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact [OIA Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding Housing in New Zealand, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui



Alex McKenzie
Policy Manager
Employment and Housing

Appendix A

Table One: The number of clients, number of grants and total amount granted for EH SNGs in the financial year 2020, broken down by quarter.

	Quarter ending	Distinct clients	Number of grants	Total amount granted
Financial year ending 2020	September 2019	6,063	29,265	\$41,589,048.70
	December 2019	5,910	30,942	\$48,125,061.98
	March 2020	6,342	32,142	\$54,069,679.57
	June 2020	9,615	38,883	\$79,286,768.92
Total		19,113	131,232	\$223,070,559.17

Table Two: The number of clients, number of grants and total amount granted for EH SNGs in the financial year 2021, broken down by quarter.

	Quarter ending	Distinct clients	Number of grants	Total amount granted
Financial year ending 2021	September 2020	9,825	44,580	\$82,986,198.54
	December 2020	8,502	39,342	\$82,531,775.99
	March 2021	8,022	34,314	\$77,805,320.63
	June 2021	7,629	34,269	\$81,124,706.31
Total		21,141	152,508	\$324,448,001.47

Table Three: The average length of stay for clients receiving EH SNGs in the financial year ending 2020 and 2021, broken down by financial year.

Financial year ending	Average weeks stay
2020	7.6
2021	11.6

Notes for all tables:

- Emergency Housing assistance payments are granted as Special Needs Grants (EH SNG).
- The number of grants is not the same as the number of people. A person may have more than one grant within a period.
- Clients can be counted in multiple quarters if they have grants in more than one quarter.
- The amount granted may not be the same as the amount spent.
- Consecutive weeks is a calculation that tries to estimate how long a client has been in EH for a continuous period.
- Average consecutive weeks data is based on the client's most recent grant within a period. They may have had multiple grants in a period.
- A client's total stay may cross more than one financial year. The length of stay at the time of their last grant in each financial year is what is used to calculate the average.
- Prior to 29 March 2020, consecutive weeks is based on the number of weeks in which the client has received an EH SNG. After 4 weeks with no grants, the consecutive count is reset to zero and a new spell in EH is begun.

- Post 29 March 2020, consecutive weeks is calculated based on the check in and check out dates for which emergency housing grants have been granted.
- The Ministry's financial year commences on the 1st of July and ends at the 30th of June.
- To protect confidentiality, the Ministry uses processes to make it difficult to identify an individual person or entity from published data. These data tables have had random rounding to base three applied to all cell counts in the table.
- The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two counts.