



**CABINET PAPER SUPPORTING MATERIAL: INITIAL STEPS TO END THE LARGE-SCALE USE OF EMERGENCY HOUSING**

<b>Date</b>	29 February 2024	<b>Priority</b>	Medium
<b>Tracking number</b>	HUD2024-003594		

**INFORMATION FOR MINISTER(S)**

Hon Chris Bishop <b>Minister of Housing</b>	<b>Note</b> the contents of the following aide-memoire.
Hon Louise Upston <b>Minister for Social Development and Employment</b>	<b>Note</b> the contents of the following aide-memoire.
Hon Tama Potaka <b>Associate Minister of Housing (Social Housing)</b>	<b>Note</b> the contents of the following aide-memoire.

**CONTACT FOR DISCUSSION**

Name	Position	Telephone	1st contact
Julia Pearce	Manager, Housing Access and Support, HUD	s 9(2)(a)	✓
Hayley Hamilton	General Manager, Housing, Employment, and Climate Change, MSD	s 9(2)(a)	

**OTHER AGENCIES CONSULTED**

No other agencies were consulted on this paper.

**MINISTER'S OFFICE TO COMPLETE**

<input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> See Minister's notes <input type="checkbox"/> Needs change <input type="checkbox"/> Overtaken by events <input type="checkbox"/> Declined <input type="checkbox"/> Referred to (specify) _____	Comments
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**CABINET PAPER SUPPORTING MATERIAL: INITIAL STEPS TO END THE LARGE-SCALE USE OF EMERGENCY HOUSING**

<b>Minister</b>	Hon Chris Bishop, Minister of Housing Hon Louise Upston, Minister for Social Development and Employment Hon Tama Potaka, Associate Minister of Housing (Social Housing)		
<b>Date</b>	29 February 2024	<b>Priority</b>	Medium
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**Purpose**

1. To provide talking points on the *Initial steps to end the large-scale use of Emergency Housing* Cabinet paper which will be considered at Cabinet on 4 March 2024.

**Background**

2. The talking points in Annex A include a summary of the proposal, which includes information on establishing a Priority One fast track on the Housing Register.

**Next Steps**

3. This Cabinet paper will be considered at Cabinet on 4 March 2024.
4. Decisions on the Priority One fast track will be announced after Cabinet decisions have been made, though an announcement date is to be confirmed. Draft communications material will be provided by 3pm on 4 March 2024.

**Annexes**

Annex A: Initial steps to end the large-scale use of Emergency Housing – suggested talking points for Cabinet on 4 March 2024.

Annex B: Questions and Answers

# Annex A: Initial steps to end the large-scale use of Emergency Housing – suggested talking points for Cabinet on 4 March 2024

## Context

- Too many people are relying on Emergency Housing for too long and this is not an appropriate place for children to be growing up.
- Our Government has committed to end the large-scale use of Emergency Housing and the changes we are agreeing today are the first step in achieving this.
- While the number of Emergency Housing Special Needs Grants, or EH-SNGs, has reduced since the peak in November 2021, there are still high numbers and people are staying longer than intended, some for many months.
- At the end of December 2023:
  - There were 2,976 households receiving EH-SNGs. This includes 1,512 families and a total of 3,186 children.
  - 145 families with children have received EH-SNGs for between 12 and 24 months. A further 50 families with children have received the grant for over two years.
- There were a further 163 households in contracted Emergency Housing motels in Rotorua, including 252 children.
- During 2022/2023, \$345 million was spent on EH-SNGs.
- High demand for EH-SNGs has been driven by a combination of structural and system issues and by individual stressors faced by individuals and families. A key part of this is failures in the housing and urban system to deliver enough housing.

## Summary of proposed changes

- We are proposing several initial steps to achieve our aim of ending the large-scale use of Emergency Housing.
- While it will take a sustained and co-ordinated effort over multiple years to achieve this aim, the steps we agree now will help ensure that families with children are housed quicker and that improvements are made to the Emergency Housing system.
- Consistent with our 100-day plan commitment, we seek agreement to establish a Priority One fast track for the Social Allocation System. This will ensure that families with children who have been in Emergency Housing for extended periods are prioritised on the Housing Register for access to social housing.
- Alongside the fast track, we are seeking your agreement to progress work to tighten the gateway to EH and mitigate any perverse incentives created by the fast track.
- While officials have advised the fast track by itself will have limited impact, the fast track and changes to the EH gateway are just the beginning of our work to achieve our aim of ending large scale use of EH.

- We have also set out additional complementary activities we will take s 9(2)(f)(iv)

### *Implementation*

- It is critical that the fast track and tightening measures are implemented at the same time. The measures will be fully implemented in September 2024.
- We are seeking agreement that joint Ministers are delegated authority to make further decisions on the policy settings for Priority One and tightening the Emergency Housing gateway outlined in this paper.

### **Priority One fast track key points**

- This policy responds to our 100-day plan commitment to ‘establish a priority one category on the social housing waitlist.’
- We are seeking agreement to the establishment and key parameters of the Priority One fast track. The key parameters are:
  - a. Emergency Housing is initially limited to EH-SNG clients in motels and those in Rotorua Contracted Emergency Housing
  - b. families are defined as those with at least one dependent child, including sole parents
  - c. families will need to have been in motels receiving an EH-SNGs or living in Contracted EH for 12 consecutive weeks or more, or those in exceptional circumstances who have lived in Emergency Housing for 12 weeks or more across multiple stays.
- Establishment of this fast track will mean that around 800 eligible families would be fast tracked for the next available social housing place that meets their needs.

### **Tightening the Emergency Housing gateway key points**

- In addition to implementing the fast track, we have asked officials to investigate policy and legislative changes to tighten the Emergency Housing gateway and ensure that EH-SNGs are provided to those people with a genuine need and who have met their obligations.

- s 9(2)(f)(iv)

- The work to tighten up access to Emergency Housing is not exempt from Regulatory Impact Analysis requirements. Relevant teams at the Treasury, HUD, and MSD have agreed that analysis will be provided alongside the July 2024 advice to Cabinet.

## Additional actions to help end the large-scale use of Emergency Housing key points

- In addition to creating a Priority One fast track s 9(2)(f)(iv) [REDACTED], we have asked officials to provide advice on a broader approach to achieve the aim of ending the large scale use of Emergency Housing. It will be framed around a social investment approach. These include:
  - a. s 9(2)(f)(iv) [REDACTED]
  - b. ensuring that allocation and placement practices for social housing align with the priority that we are giving to eligible families
  - c. maximising appropriate supply options available as alternatives to, and pathways out of, motels. For example, continuing delivery of social housing to June 2025 will add over 6,000 social housing places
  - d. taking an innovative approach to funding and financing social and Emergency Housing, for example through the use of Social Impact Bonds
  - e. developing an overarching evidence-based framework around use of EH to guide further decision-making
- s 9(2)(f)(iv) [REDACTED]

## Annex B: Questions and Answers

**Q: How much impact will the fast track have?**

A: Most families in Emergency Housing already have high housing register priority. Fast tracking will help housing providers to work with MSD to identify families in Emergency Housing ahead of others on the register. But other actions need to be taken to scale down Emergency Housing along with Priority One.

**Q: Won't tightening access to Emergency Housing lead to more people on the streets or in cars?**

A: Advice on tightening the gateway will carefully consider any potential negative consequences, including impacts on homelessness.

**Q: Why will the fast track take so long to implement?**

A: The complexity of the policy and secondary legislation design, along with necessary IT and operational changes mean that the fast track cannot be fully implemented until September 2024.

**Q: Would it not be easier to use an automated system to implement the fast track?**

A: An automated system would take nine to 12 months to set up, s 9(2)(f)(iv)

**Q: Does this effectively say to people you need to have children to get social housing (faster)?**

A: No. The purpose of this fast track is to ensure that eligible families with children are housed as quickly and sustainably as possible. Future actions will more effectively help other groups, such as single people, out of Emergency Housing. Families are also housed in different types and sizes of social housing than single people or couples.

s 9(2)(f)(iv)

**Q: Can people be moved on from Kāinga Ora where they no longer have high need, to free this up for families who need it?**

A: MSD is reinstating tenancy reviews from 25 March. This will help identify tenants who are no longer eligible and free up social housing places for those most in need.

**Q: Could private landlords be encouraged to play more of a role in housing families – could this be somehow incentivised?**

A: We have asked officials to look at options to incentivise different housing providers, including those in the private market, to house priority groups from Emergency Housing.

**Q: How can Kāinga Ora and Community Housing Providers help with decreasing the use of Emergency Housing?**

A: Kāinga Ora and Community Housing Providers have two main roles in this work – placement practices and the provision of new social houses. While more social housing supply will help, especially in priority areas, we also need to focus on housing families in existing supply. The housing register has grown far faster than social housing supply plans and funding.