



5 September 2022

Tēnā koe

On 22 July 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *Approximately what highest cap for a security deposit that is equal to 7 nights accommodation?*
- *So how many clients have been asked to pay for damages?*
- *How much have they been asked to pay?*
- *How much has been actually paid?*
- *How many commercial accommodation providers have withdrawn from offering emergency housing since March 2020?*
- *does the amount paid to commercial accommodation providers for emergency housing include the cost of refurbishing units when tenants move out or the property ceases provision of emergency accommodation?*
- *If so, how much has been paid out for refurbishment since March 2020?*
- *Re damage to units by emergency housing tenants*
- *how much have emergency housing tenants forfeited in security bonds for damage to commercial accommodation units?*
- *how many security bonds have been used to remediate damage?*
- *what is the largest damage bill to date? What was the nature of the damage that had to be fixed?*
- *If the level of damage surpasses the cap of seven nights accommodation, who is liable to cover the excess?*
- *If MSD pays, how much has it contributed to remediate above security cap damage to commercial accommodation providers, such as motels, by emergency housing tenants?*
- *Or do motels get paid an extra amount on top of the daily rate to cover the cost of fixing damage caused by emergency housing guests?*

On 19 August 2022, in accordance with section 15(1) and 15A of the Act, your request was extended to 16 September 2022. The reason for the extension was that consultations necessary to make a decision on the request were such that a proper response could not reasonably be made within the original time limit.

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.

More information about EH SNGs is available at the following link:
www.workandincome.govt.nz/housing/nowhere-to-stay/emergency-housing.html

Where the Ministry is paying EH SNGs for accommodation, they can also facilitate the cost of a security deposit. However, the majority of clients do not need this payment as they do not cause any damage. The Ministry is aware that damage is sometimes caused in Emergency Housing, with the vast majority from normal things such as accidental breakages. When the Ministry is provided with evidence of any damages, the Ministry will, with agreement from the client, make payment (from the security deposit) on behalf of the client. Agreement from the client is not required if the client leaves the Emergency Housing without checking out. Clients are required to pay this back to the Ministry, at a rate that doesn't cause them undue hardship.

The Ministry provides information on its website to property owners, landlords, suppliers of Emergency Housing and Public Housing providers, here:
www.workandincome.govt.nz/providers/housing-providers/index.html

The Ministry provides a security deposit to housing suppliers and providers that is designed to protect them when there are losses or damages caused by the Ministry's clients (or anyone else staying with them). Security deposits need to be agreed to by the clients and the supplier/provider of the accommodation, and approved by the Ministry, before a client can stay with a provider. More information on how security deposits work is available at the following link:
www.workandincome.govt.nz/providers/housing-providers/security-deposit.html

For the sake of clarity, I will now address each of your questions in turn.

- *Approximately what highest cap for a security deposit that is equal to 7 nights accommodation?*
- *So how many clients have been asked to pay for damages?*
- *How much have they been asked to pay?*
- *How much has been actually paid?*

The Ministry implemented a new Hardship grant category for security deposit claims in December 2021. The following table shows the number of Security Deposit Claims granted for the quarters ending December 2021, March 2022, and June 2022.

Table One Security Deposit Claims granted during the period 1 December 2021 to 30 June 2022, by quarter:

Quarter End	Number of grants	Number of clients	Amount granted	Maximum amount granted
December 2021	36	36	\$24,150.47	\$2,128.00
March 2022	768	732	\$520,213.31	\$15,000.00*
June 2022	1,320	1,230	\$841,046.94	\$7,800.00

Notes for Table One:

- The amount granted is not the amount spent.
- The number of grants is not the same as the number of clients. A client will be counted multiple times if they have multiple grants in a period.
- Special Needs Grants for Security Deposit Claims were not captured prior to December 2021, therefore the number of grants in that quarter was less than subsequent quarters.
- 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 a multiple of 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.
- * This payment was approved incorrectly, and a work around was completed to recover the approved amount.

I will now address the next group of requests you asked.

- *does the amount paid to commercial accommodation providers for emergency housing include the cost of refurbishing units when tenants move out or the property ceases provision of emergency accommodation?*
- *If the level of damage surpasses the cap of seven nights accommodation, who is liable to cover the excess?*

- *Or do motels get paid an extra amount on top of the daily rate to cover the cost of fixing damage caused by emergency housing guests?*

The security deposit can cover the actual and reasonable costs of:

- breakages or damages caused by the client or anyone staying with them, such as, any breakages or damage to the property whether intentional or accidental
- losses relating to failure of the client to meet their obligations to the supplier/provider under their agreement for stay. This can include replacing items that have been removed from the room, excessive cleaning charges, the room being unavailable due to (excessive) cleaning or belongings left behind and providing replacement keys, and
- unpaid accommodation costs (this covers unpaid contribution for clients staying in Transitional Housing only).

The security deposit does not cover:

- the cost of refurbishing units when tenants move out or the property ceases provision of emergency accommodation
- telephone, internet, or pay-television charges
- utilities
- meal charges
- storage of excessive goods
- laundry services
- car-parking
- general wear and tear.

The Ministry will not pay the security deposit if the costs for loss or damage:

- is more than the amount approved for the security deposit
- if the loss/damage has been discussed with the client and they did not agree that the loss or damage was their responsibility
- is for costs other than loss or damages – for example, other services, such as telephone charges
- if the costs are for general wear and tear, or
- if the security deposit has already been fully used for example, a previous claim by an individual.

If the Ministry will not pay for damages or loss, then the accommodation supplier/provider needs to seek this cost from the client(s) themselves.

I will now address the next group of requests you asked.

- *How many commercial accommodation providers have withdrawn from offering emergency housing since March 2020?*
- *how much have emergency housing tenants forfeited in security bonds for damage to commercial accommodation units?*
- *how many security bonds have been used to remediate damage?*
- *what is the largest damage bill to date? What was the nature of the damage that had to be fixed?*
- *If MSD pays, how much has it contributed to remediate above security cap damage to commercial accommodation providers, such as motels, by emergency housing tenants?*

In regard to how many commercial accommodation providers have withdrawn from offering emergency housing since March 2020, the Ministry acknowledges that the market is fluid and Emergency Housing suppliers can come and go.

To provide the requested information to answer this group of requests, the Ministry would need to divert personnel from their core duties and allocate extra time to complete this task. The diversion of these resources would impair the Ministry's ability to continue standard operations and would be an inefficient use of the Ministry's resources. As such, your request is refused under section 18(f) of the Act, requires substantial collation. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your requests 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.

- *If so, how much has been paid out for refurbishment since March 2020?*

The Ministry does not pay for the cost of refurbishment for commercial accommodation. Accordingly, this request is refused under section 18(e) of the Act as this information does not exist or, despite reasonable efforts to locate it, cannot be found.

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

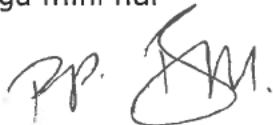
- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

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'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.

If you are not satisfied with this response regarding the number of Security Deposit Claims granted, 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

A handwritten signature in black ink, appearing to read 'K.H.', is written over a faint, illegible printed name.

Karen Hocking
**Group General Manager
Housing**