



**MINISTRY OF SOCIAL  
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

# **What is the impact of recent changes to Housing Support Products?**

## **A final evaluation report**

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## **Disclaimer**

The views and interpretations in this report are those of the authors and are not the official position of the Ministry of Social Development.

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## Executive summary

### *This evaluation looked at the impact of changes to Housing Support Products in 2023*

Housing Support Products (HSPs) are one-off payments, originally introduced in July 2014, to help people with the cost of obtaining and retaining housing. In 2021 a review was undertaken and as a result housing related payments that previously sat outside HSPs were included in the HSP programme in 2023. Products were also updated to better reflect current housing costs.<sup>1</sup>

This evaluation was undertaken to understand the impact of the 2023 changes to HSPs and gain deeper insights into their overall effectiveness.

## Key findings

### *Overall, HSPs work well to help clients obtain or stay in a tenancy*

- HSPs are on average highly effective. Between January 2021 and September 2024, the average effectiveness rate across all products was 88.7 percent.
- Effectiveness is defined as a client remaining out of Emergency Housing (EH) and off the Social Housing Register (SHR) for at least 90 days following receipt of an HSP.
- The rate of effectiveness has gradually increased over time, including after the March 2023 changes when housing-related hardship payments were combined with HSPs. Most recently (in the September 2024 quarter) the effectiveness rate was 91.7 percent (well above the HSP performance target of 70 percent).
- Effectiveness remains relatively consistent over a longer timeframe (180 days without a subsequent Emergency Housing Grant (EHG) or Social Housing Register (SHR) application instead of 90 days), at 87.7 percent.
- There were only minor differences in effectiveness when considering client demographics, for example age and ethnicity.
- Effectiveness is lower for clients in Emergency Housing (EH) at the time of the grant than for non-EH clients. However, clients leaving EH with HSP assistance are more likely to stay out of EH than when HSPs are not used.
- Over time, the effectiveness of HSPs for clients in EH at the time of grant has significantly increased. In the first quarter of 2021 effectiveness was 58.4 percent compared to 75.0 percent in the September 2024 quarter.
- HSPs are helpful to prevent clients getting into housing difficulties in the first place. Most HSP clients also receive an Accommodation Supplement, and are still receiving it 90 days after receiving HSP support.

### *Changes to HSPs did not notably affect uptake or spend*

- Client numbers did not change significantly when housing-related Recoverable Assistance Payments (RAPs), Advance Payment of Instalment of Benefit (Advances) and existing HSPs were combined.

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<sup>1</sup> MSD. 2021. Report to Minister: Review of Housing Support Products: Changes to better support people in the private housing market, [www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/housing-support-products.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/housing-support-products.html).

- There was no notable impact on the overall cost of the programme from changes to maximum amounts and the number of times that clients could receive grants.
- Housing-related payments were initially fewer when clients without Residential Tenancy Act agreements (RTAs) were no longer able to access them, but have since increased with their reintroduction from July 2024.
- Bond, Advance and Arrears grants have continued to be used much more than the other product types. Moving Cost grants are used less frequently (only 3.1 percent of grants overall) but have increased since the changes in 2023.
- The biggest driver in the use of HSP products appears to be the clients' circumstances, with little difference when client demographics were considered such as age and ethnicity.

## **Implications**

- The effectiveness measure strongly indicates that HSPs are continuing to perform well.
- We will need to do further work to understand outcomes for HSP recipients across longer timeframes and where they are not accessing housing support, and will be updating this analysis as more data becomes available.
- HSPs are one part of a complex housing system. It is difficult to isolate all of the factors and fully understand why HSPs work for most clients, or what might be different in circumstances where they are less effective. We will consider further areas of evaluation as part of our work plan for the coming year. However, based on this evaluation, HSPs are shown to be an important financial tool for people facing housing insecurity.

## Housing Support Products help people with the costs of obtaining and retaining housing

Housing Support Products (HSPs) can be used for housing expenses such as moving costs, security deposits (bonds), rent payments in advance and unpaid rent (arrears). Additionally, the programme offers assistance for costs related to the end of a tenancy (the Tenancy Costs Cover grant) and incentives for transitioning from social housing to private rentals (Transition to Alternative Housing).

### Improvements were made to HSPs in 2023

Following a review of HSP policy settings in 2021,<sup>2</sup> the Ministry of Social Development (MSD) carried out a package of changes for a new and improved programme for all one-off housing-related hardship assistance. The changes included:

- introducing maximum payments that reflect actual market rents
- increasing the number of times households can receive support per year
- making all of the payments recoverable (meaning the client must pay the money back), with the exception of the Transition to Alternative Housing (TTAH) grant

Housing-related hardship payments – Recoverable Assistance Payments (RAPs) and Advance Payment of Instalment of Benefit (Advances)<sup>3</sup> – which were used for similar purposes but under a different system and with different eligibility criteria – were brought in under the same programme (now all known as HSPs).

A later set of changes extended HSPs to clients without Residential Tenancy Act (RTA) agreements (e.g. those in flatting or boarding situations). These products came online in July 2024. RAPs and Advances had previously been available for non-RTA clients.<sup>4</sup>

**Table 1: List of Housing Support Products**

| Product type | RTA  | Non-RTA                        |
|--------------|--|--------------------------------|
| Bond         | Bond Grant / RAP/Adv bond payment (pre-2023)         | Accommodation Security Cover   |
| Advance      | Rent in Advance / RAP/Adv Advance payment (pre-2023) | Accommodation Costs in Advance |
| Arrears      | Rent Arrears / RAP/Adv Arrears payment (pre-2023)    | Accommodation Costs in Arrears |
| Moving       | Moving Costs Grant                                   | Accommodation Moving Costs     |
| TCC          | Tenancy Costs Cover                                  | N/A                            |
| TTAH         | Transition to Alternative Housing Grant              | N/A                            |

<sup>2</sup> MSD. 2021. Report to Minister: Review of Housing Support Products: Changes to better support people in the private housing market, <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/housing-support-products.html>

<sup>3</sup> Advances: Available to beneficiaries. RAPs: Available to those not on a main benefit.

<sup>4</sup> In this work, RTA and non-RTA products are combined into the broader product type categories (e.g. 'bond') unless otherwise specified (see Table 1).

## Evaluation approach

The evaluation outlined the following questions to assess the impacts of the changes and the effectiveness of HSPs.<sup>5</sup>

### **How well do HSPs work, and for whom?**

- Overall effectiveness – how many clients successfully leave and/or stay out of temporary housing after receiving an HSP?
- How well do HSPs address the specific housing needs of different groups and communities, such as Māori and Pacific peoples?
- How do HSPs work in conjunction with other housing supports, e.g. Accommodation Supplement (AS)?
- Is access to HSPs fairly distributed? What is the impact on client debt?

### **Were the new HSPs designed and implemented, and are they being administered, in a way that allows for achievement of key outcomes?**

- Reaching the right people - are the people who will benefit from the help receiving it?
- Adequacy - are HSPs meeting clients' current housing needs and costs?
- Simplicity - is the system easier to use for staff, while client experience is improved through clearer and simpler settings?

### *Final evaluation report*

This final report summarises findings and assesses the information gathered against the key questions. It brings together all the learnings from this work, builds on previous reviews, and recommends where further work would be beneficial.

The analysis largely focused on MSD administrative data (including grant use and client level demographic information). Outcomes were examined both at an individual level and for different groups. The analysis in this report aligns with Level 2 of the Social Investment Agency's impact measurement standards.<sup>6</sup>

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<sup>5</sup> See Appendix 1 for details on the evaluation approach.

<sup>6</sup> Evaluations that meet the Social Investment Agency's Level 2 draft evidence standards are able to measure changes in outcomes and impacts for those benefiting from the programme at an individual level, and consider variations for different population groups.

## Key findings

### Overall, HSPs work well to assist households to obtain or maintain a tenancy

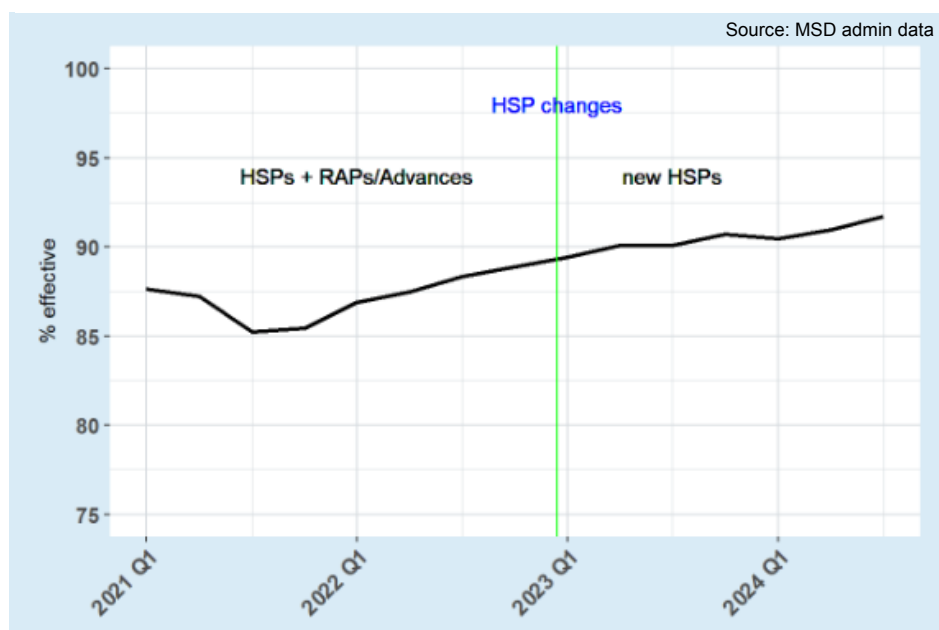
*Effectiveness over time by subgroups, products and housing status at grant*

**HSPs have an overall effectiveness rate of 88.7 percent which has been steadily improving over time**

“Effectiveness” is a key reporting measure for HSPs. An HSP is considered “effective” if the client did not receive a subsequent Emergency Housing Grant (EHG) within 90 days (three months) or have an active Social Housing Register (SHR) application at 90 days post-grant. This measure is used for HSP performance assessments (such as budget estimates and appropriations).<sup>7</sup>

The overall effectiveness rate across the period studied is 88.7 percent, shown by quarter in Figure 1.<sup>8</sup>

**Figure 1: Effectiveness over time for all products (last grant to client per quarter)**



<sup>7</sup> Effectiveness is calculated using the last grant or product type to a client (individual Social Welfare Number (SWN)) within a quarter to match official reporting. All calculations in this report refer to RAPs/Advances combined with HSPs into product types unless otherwise specified (see Table 1). Similarly, RTA and non-RTA products are combined into product types unless otherwise specified.

<sup>8</sup> This means that 88.7 percent of grant recipients (using the last grant to a unique client per quarter) had not received a subsequent EH grant within 90 days of the HSP and were not on the SHR at 90 days post-HSP.

***The rate of effectiveness at 180 days post-grant is only slightly lower***

If the measure of effectiveness is extended to six months (meaning a client had not received a subsequent EH grant within 180 days of the HSP and were not on the SHR after 180 days), the effectiveness rate was one percentage point lower at 87.7 percent.

***Products are provided in different circumstances so there is some variation in effectiveness between product types***

Bond, Advance and Arrears grants are used significantly more than the other three grants (see Figure 6 on p. 16). Bond, Advance and Arrears grants have effectiveness rates close to the average effectiveness rate (see Appendix 3 for more details).<sup>9</sup>

The TTAH grant has the highest effectiveness rate at 94.4 percent. However, this is based on a very small number of grants (807: only 0.2 percent of grants overall).<sup>10</sup> TTAH grants assist clients with moving into private rental accommodation from Social Housing (SH).

Tenancy Costs Cover (TCC) payments were only given to 306 unique clients (0.1 of grants overall) over the period of the study and showed a lower effectiveness rate of 77.9 percent. TCC is an assurance (in the form of a letter) to landlords that any costs at the end of tenancy will be covered. TCC is used by clients in specific, complex situations. To qualify for TCC a client needs to be in a position where they feel they are being turned down for rental properties due to their personal situation, including where they have a bad credit history, a criminal record, or there is a language barrier. These circumstances would potentially make it less likely that a client would have a successful housing outcome. If the payment is recorded, it signals that a tenancy has ended. The effectiveness for TCC letters is not included in reporting and was out of scope of this study because it focuses on grant payments only.

Bond payments are commonly granted along with an Advance payment – 41.0 percent of clients receive both. This combination has the same effectiveness rate as the overall average (88.7 percent). There is a higher effectiveness rate (91.9 percent) for the 7.0 percent of clients who received a Bond payment on its own. It is likely a client receiving a single Bond grant without requiring an Advance is in a better position to start with, which may explain the better outcomes.

***Clients receiving non-RTA products are likely to be in less stable situations meaning there are lower effectiveness rates***

The timing of the programme changes meant only three months' worth of non-RTA products are available for outcomes analysis. For those three months, the effectiveness rate for non-RTA products is less than the average at 80.0 percent. This is to be expected as these clients are generally in less stable housing situations such as flatting.

<sup>9</sup> Effectiveness by product is calculated from the last grant to a unique client per quarter per product, so this measure does not account for clients receiving more than one product type.

<sup>10</sup> Random rounding has been applied to all client totals in this report.

***The strongest determinant of effectiveness is the client's housing situation at the time of grant, followed by benefit group***

HSPs were more effective for those not on a main benefit (93.1 percent) and notably less effective for those receiving a Supported Living payment (83.4 percent). Overall effectiveness for clients on a main benefit was 87.8 percent.<sup>11</sup>

***Effectiveness has been improving for clients in EH or on the SHR at time of grant***

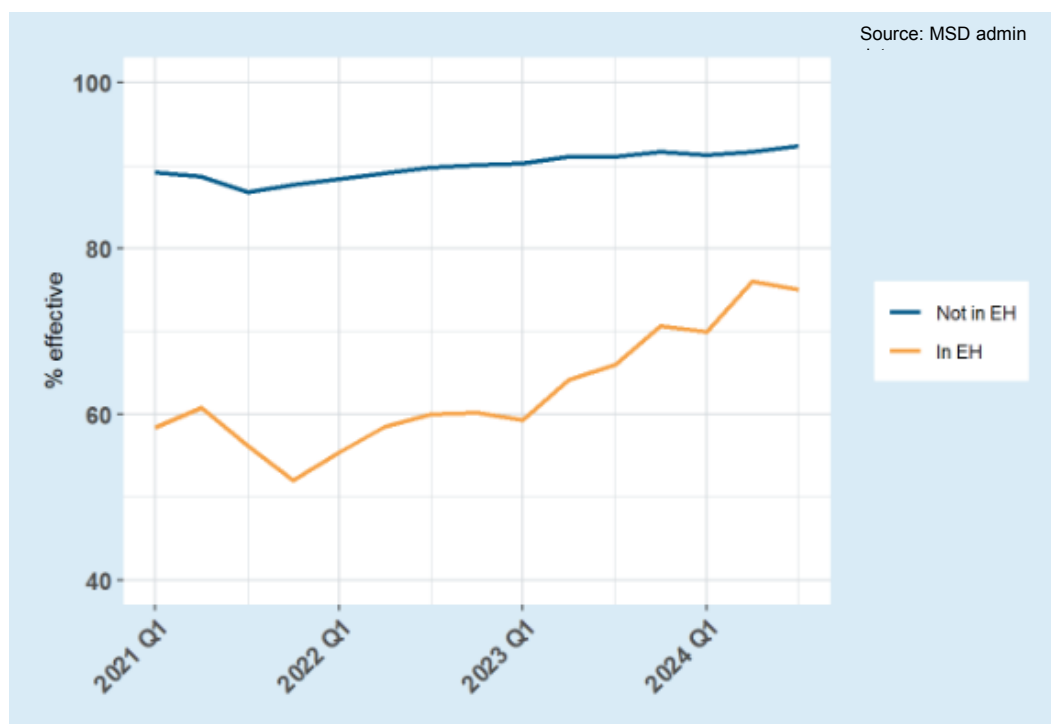
The effectiveness rates for clients in EH and/or on the SHR at the time of grant were lower than the overall average. This is to be expected, as these clients are in more difficult and less stable housing situations. However, effectiveness rates for these groups have shown some of the largest improvements in recent times.

Around **16 percent** of clients are on the SHR at the time of grant receipt.

The effectiveness rate for clients on the SHR is much lower than for clients overall, at 50.0 percent across the period (47,122 unique clients) (compared to 96.0 percent for non-SHR clients). In the September 2024 quarter, the effectiveness rate for clients on the SHR at the time of grant rose to 61.0 percent.

Around **4 percent** of HSP recipients are in EH at the time of grant receipt.

**Figure 2: effectiveness by quarter for clients in/not in EH**



The effectiveness rate for EH clients is also much lower than for clients overall, at 62.3 percent across the period (12,647 unique clients) (compared to 89.9 percent for non-EH

<sup>11</sup> Main benefits include Jobseeker Support (JS), Sole Parent Support (SPS), Supported Living Payment (SLP), Youth Payment and Young Parent Payment (YP/YPP), Emergency Benefit (EB), Emergency Maintenance Allowance (EMA), Jobseeker Support Student Hardship (JSSH), NZ Super and Veteran's Pensions. They exclude supplementary assistance such as Accommodation Supplement.

clients). In the September 2024 quarter, the effectiveness rate for clients in EH at the time of grant rose significantly to 75.0 percent.

***Clients who receive HSPs while exiting EH are more likely to stay out of EH for at least 180 days***

97.5 percent of EH exits that were “HSP-assisted” (see Appendix 5 for details) were successful, meaning the client did not re-enter EH for 90 days following the exit. This is **5.3 percent higher** than the rate for exits without HSPs (92.2 percent).

The difference is even greater for 180 days out of EH. 94.4 percent of HSP-assisted EH exits did not re-enter EH for 180 days following the exit. This is **7.7 percent** higher than the rate for exits without HSPs (86.7 percent).

We would expect HSP-assisted exits to be more likely to be successful, as HSPs are granted to clients who are already able to move into rental accommodation.

***There were only minor differences in effectiveness between demographics such as age or ethnicity***

Analysis explored different groups to see if HSPs were more or less effective for them. HSPs were slightly **more** effective for younger people (90.9 percent), sole parents (89.8 percent), clients with two or three children (90.6 percent), and clients who identify as European (90.2 percent).

HSPs were slightly **less** effective for 35-54 year-olds (87.3 percent), males (88.1 percent), clients in the East Coast region (85.9 percent), single clients without children (87.7 percent), Māori clients (87.1 percent), and clients with four or more dependent children (85.9 percent).<sup>12</sup>

***Administrative data is not sufficient to fully understand whether different needs for different groups are being met***

Māori and Pacific peoples are disproportionately represented among HSP recipients. 43 percent of HSP clients in this study identify as Māori, and 17 percent as Pacific peoples. By comparison, 39 percent of working-age recipients of main benefits as at December 2024 identify as Māori, and 13 percent as Pacific peoples.<sup>13</sup> Overall, 18 percent of New Zealanders identified as Māori in the 2023 Census, and 9 percent as Pacific peoples.<sup>14</sup>

HSPs are slightly less effective for Māori clients (the effect for Pacific clients was not statistically significant).

To understand whether HSPs are meeting the needs of Māori and Pacific clients further research would be needed using culturally-specific methods (for example, Kaupapa Māori research looking at housing needs within a Te Ao Māori context).

<sup>12</sup> The effect size was calculated for each group using the Cramer’s V statistical method. Groups that differed from the average above a certain score are reported here (noting that the scores only showed a very weak association, aside from housing status at grant which showed a weak association).

<sup>13</sup> MSD. 2024. Benefit Factsheets National level data tables – December 2024, [www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html).

<sup>14</sup> Statistics New Zealand. 2024. 2023 Census population counts (by ethnic group, age, and Māori descent) and dwelling counts, [www.stats.govt.nz/information-releases/2023-census-population-counts-by-ethnic-group-age-and-maori-descent-and-dwelling-counts](http://www.stats.govt.nz/information-releases/2023-census-population-counts-by-ethnic-group-age-and-maori-descent-and-dwelling-counts).

### ***HSPs have a bigger role in helping to prevent clients getting into housing difficulties in the first place***

64.6 percent of clients are receiving AS (and likely in private rental accommodation) at the time of grant receipt. Of the clients receiving AS, 87.8 percent are still receiving AS 90 days post-grant.<sup>15</sup>

**Figure 3: HSP recipients' housing status at grant and at 90 days post-grant**

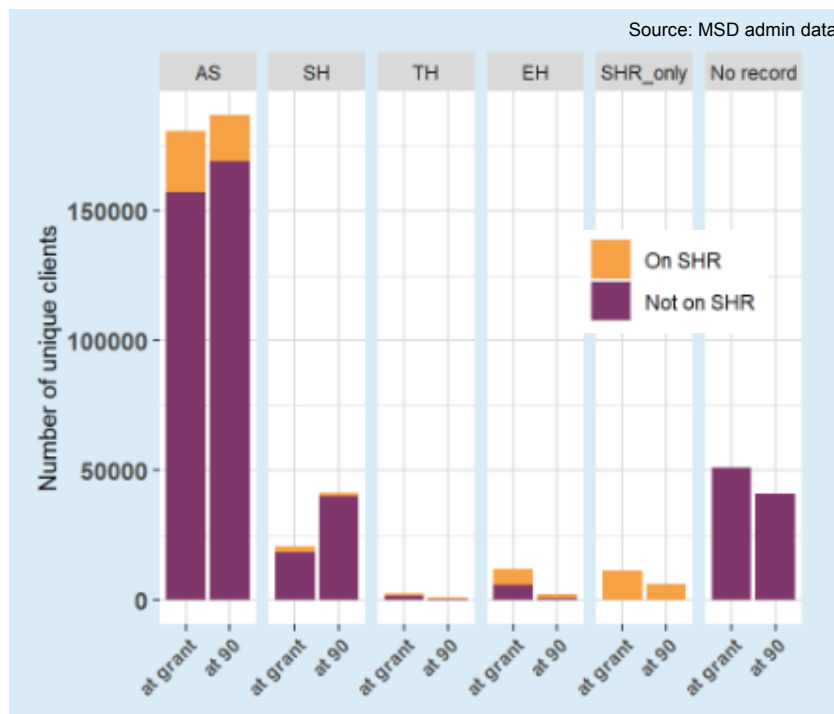


Figure 3 shows that most clients are receiving AS, and continue to receive it at 90 days post-grant. After 90 days, slightly more clients are receiving AS, and of those, slightly fewer are on the SHR. At 90 days, there is a reduction of the number of people in EH to 0.8 percent and an increase in those in SH (from 7.4 percent at time of grant to 14.9 percent at 90 days).<sup>16</sup>

<sup>15</sup> Clients were grouped into six categories based on their status “at grant” and “at 90” days post-grant. The categories are mutually exclusive (so they add up to 100 percent). Although there technically should not be any overlap (for example, a client cannot be in SH and EH at the same time) there are a small number appearing in several categories. Precedence for categorisation was given to EH followed by Transitional Housing (TH), SH then AS. There are a number of clients who do not fall into any of these categories (marked as ‘no record’, meaning they have had no further interactions with MSD for any of these supports. The data on TH only goes back to Jan 2024, so a small number of the ‘no record’ clients should actually appear in the TH category. The ‘SHR only’ category includes clients on the SHR and not in any of the other categories. Other categories also include clients on the SHR (shown in orange).

<sup>16</sup> The figures here are slightly different from the “effectiveness” calculations because those include anyone who received an EH at any point **within** 90 days of receiving an HSP. In the official calculations, an HSP might be marked as ineffective where a client has not immediately moved out of EH, even though it was ultimately effective. Using the alternative measure (the client is not in EH **at** 90 days post-grant or on the SHR), the overall effectiveness rate is 89.9 percent.

***HSPs are no longer associated with moving out of social housing***

Before 2023, a client being in SH 90 days post-grant was counted as an “ineffective” result. Since the HSP refresh, only a client receiving EHG or on SHR after 90 days is counted as ineffective.

A review of HSPs carried out in 2017 found that 70 percent of HSP recipients who lived in social housing left it within one month of receiving HSPs (although only 21 percent of HSP recipients were in SH at the time of grant).<sup>17</sup> From the more recent results, 7.4 percent of HSP recipients are in SH at time of grant, and of these, 86.3 percent are still in SH 90 days post-grant.

While AS receipt is included in outcomes analysis as an indication of housing stability, it is one of a number of supports and changes in circumstances that may contribute to clients’ housing success. We are still missing the answer to “why” some clients are successful and some are not, and to what extent the HSP receipt has played a role.

***The same recoverability settings now apply to all HSP clients, and lower income clients can access HSPs***

Previously the non-recoverable payments were only available to clients on higher incomes who were not eligible for hardship payments. The new HSPs align with hardship payments and are all recoverable (except for the TTAH grant).

It is unclear what impact HSP receipt and the increased grant maxima has had on client debt. The assessment of administrative data did not include client debt. Because it is difficult to pinpoint debt that is specifically the result of HSP receipt, it is difficult to analyse. It is too early to see longer-term impacts of HSP debt on clients under the new system.

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<sup>17</sup> 566 out of a total of 2,668 recipients. MSD. 2018. *Review of Housing Support Products*, <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/evaluation/housing-report-products/index.html>, p. 9.

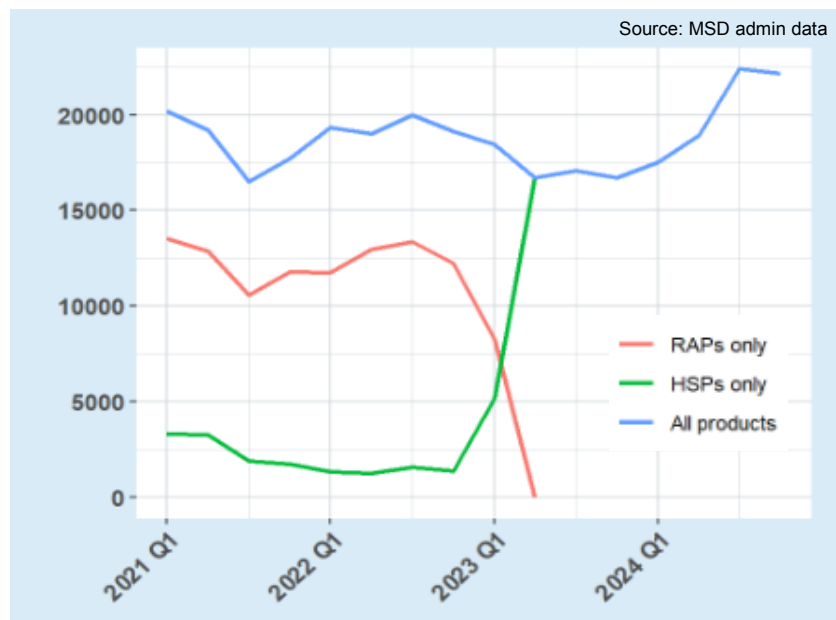
## There were no major changes to uptake/spend after changes to HSPs were implemented

*HSP usage and cost for different demographics and product combinations*

***HSPs are now available to considerably more people, but housing-related payments overall show a more consistent pattern***

Between 1 January 2021 and 31 December 2024, a total of 504,238 payments were granted to a total of 178,422 unique clients. As expected, bringing housing-related RAPs and Advances into the HSP programme led to a substantial increase in the number of HSP clients in the first quarter of 2023 (Figure 4, green line), while the blue line in Figure 4 shows the trend overall. There has been a 9.8 percent increase in client numbers since January 2021 across all housing related payments combined.

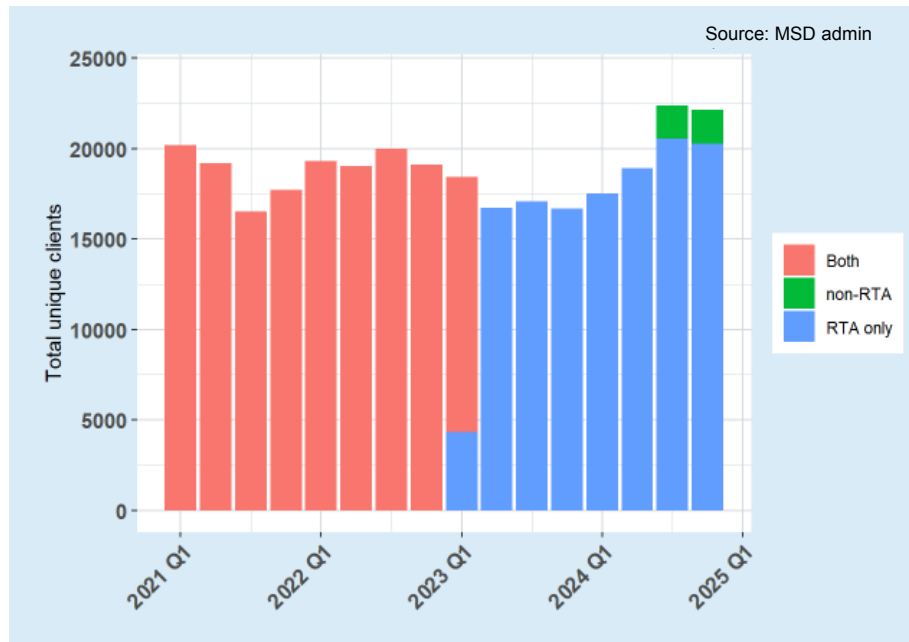
**Figure 4: Total unique clients per quarter**



***Housing-related payments showed an initial decrease when the payments became unavailable to non-RTA clients, but have increased since their reintroduction in July 2024***

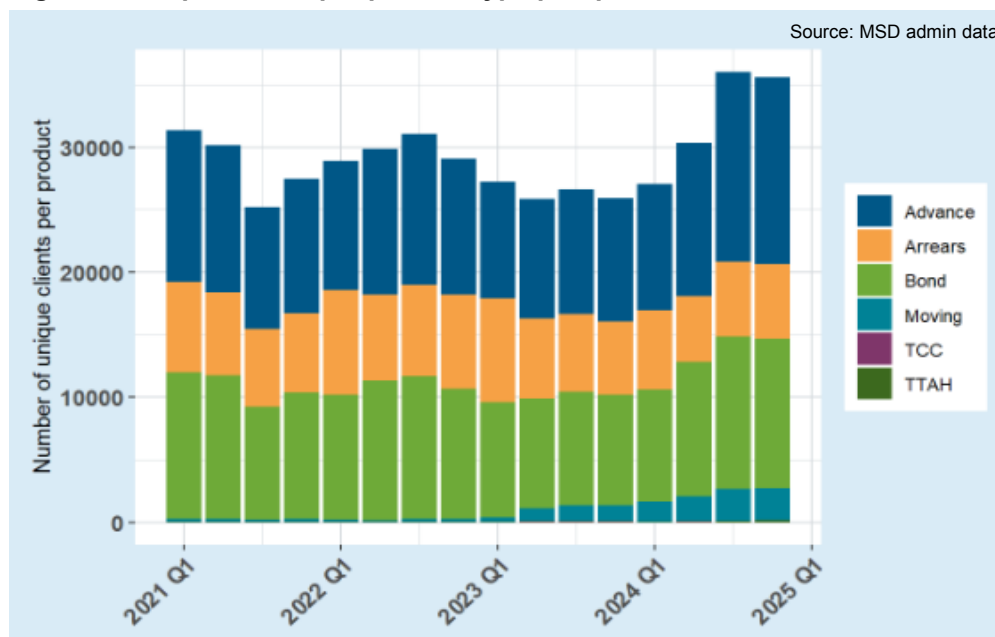
Figure 5 shows the impact of the reintroduction of non-RTA products amongst a larger overall increase in the second half of 2024.<sup>18</sup>

<sup>18</sup> Prior to March 2023, HSPs were only available to clients with RTAs. RAPs/Advance payments were available to clients with or without RTAs, and were not differentiated. For this reason it is not possible to separate RTA/non-RTA products prior to March 2023.

**Figure 5: Total unique clients per quarter and RTA/non-RTA products**

***Bond, Advance and Arrears have continued to be the most used products***

Figure 6 shows patterns of use across the different products over time, which broadly mirror the overall trends for the three most-used products (Bond, Advance and Arrears). The number of Moving Costs grants has increased since the changes, but this only represents a small number of grants overall – numbers went from 348 in the March 2023 quarter to 1,047 in the following one. The number of TCC grants remains very small (an average of only 19 clients per quarter), while TTAH numbers remain low but have also seen an increase in recent quarters (see Appendix 2 for a full breakdown of client numbers).

**Figure 6: Unique clients per product type per quarter**

### ***HSPs are broadly reaching the same clients as before***

HSP recipients are more likely to be **female** (61.2 percent), aged **25-34** (32.4 percent) (the median age of recipients is 35) and live in **Auckland** (31.2 percent). 42.9 percent identify as Māori, 16.6 percent as Pacific Peoples and 42.0 percent as European.

50.4 percent of clients are **single without children**, and 36.4 percent are **sole parents**. 43.2 percent have dependent children.

41.0 percent of HSP recipients are on **Jobseeker Support**, and 23.2 percent **Sole Parent Support** (11.0 percent are receiving a Supported Living payment). 17.8 percent are not on a main benefit, and these clients are likely to be from working households (although some will be students receiving Student Allowance). Previous work has found lower than expected take-up of AS amongst working people who appear eligible, and the same may be true of HSPs.<sup>19</sup>

Most HSPs are given to clients who are receiving **AS** (64.6 percent) and likely in private rentals. 7.4 percent are in SH, 4.2 percent are in EH and 1.2 percent are in Transitional Housing (TH).<sup>20</sup> 15.7 percent are on the Social Housing Register at time of grant.

Since the March 2023 change, the distribution in terms of benefit type, ethnicity, age, and the other demographic groups is largely unchanged.<sup>21</sup>

### ***Different products appear to be more useful for different groups, but the biggest influence on this is the clients' circumstances at the time of grant***

As shown in the right-hand chart of Figure 7, there are notable differences in the proportions of different product use depending on the clients' housing status at the time of receipt. This is to be expected because the grants are for different housing purposes. For example, very few clients in EH receive Arrears grants with clients receiving AS or in SH being more likely to receive them.<sup>22</sup> Other demographic groups showed only minor differences in product use.<sup>23</sup>

<sup>19</sup> Welfare Expert Advisory Group. 2018. *The take-up of income support: Analysis and options*, [www.weag.govt.nz/assets/documents/WEAG-report/background-documents/38f35441ff/Take-up-of-Income-Support-010419.pdf](http://www.weag.govt.nz/assets/documents/WEAG-report/background-documents/38f35441ff/Take-up-of-Income-Support-010419.pdf), p. 10.

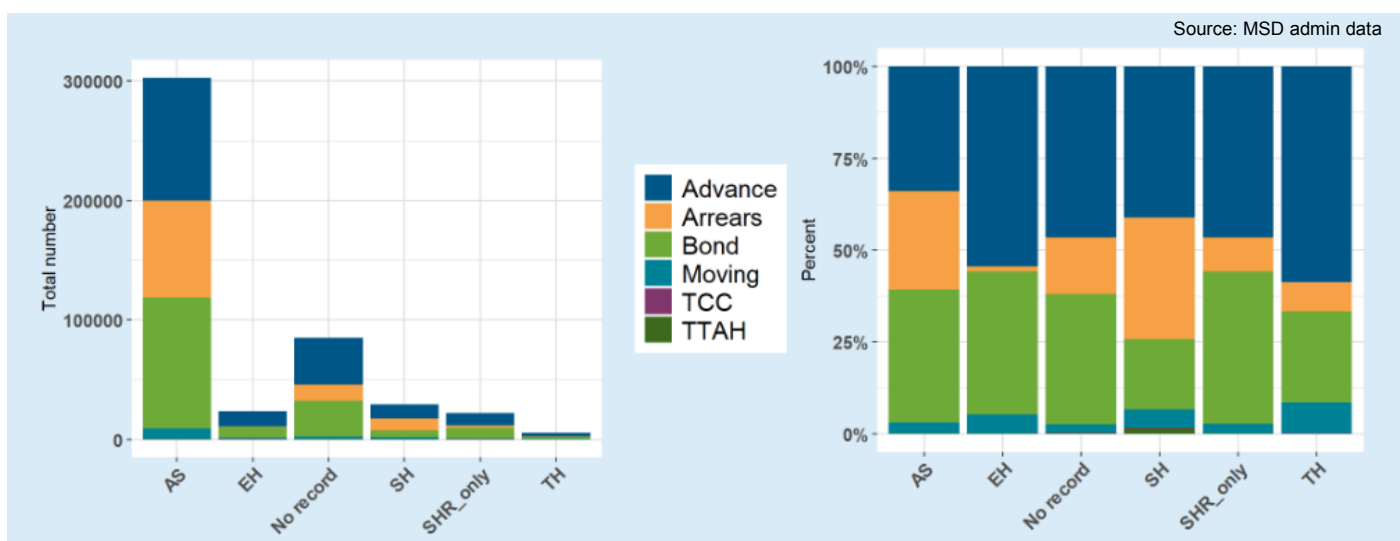
<sup>20</sup> The data on TH only goes back to Jan 2024, so this percentage should be higher to account for TH clients prior to 2024.

<sup>21</sup> The results also show a similar pattern to the findings from the 2018 review. The review found that HSP clients were more likely to be female, identify as Māori, be unpartnered and have dependent children, and most were receiving Jobseeker or Sole Parent Support, all of which are still true of the current cohort. MSD (2018), p. 12.

<sup>22</sup> Clients in EH should not receive Arrears grants, however there is likely to be some overlap with previous tenancies which causes a small number to show up in this category.

<sup>23</sup> The effect size was calculated for each group vs different products using the Cramer's V statistical method. Groups that differed from the average above a certain score are reported here (noting that the scores only showed a very weak association, aside from housing status at grant which showed a weak association).

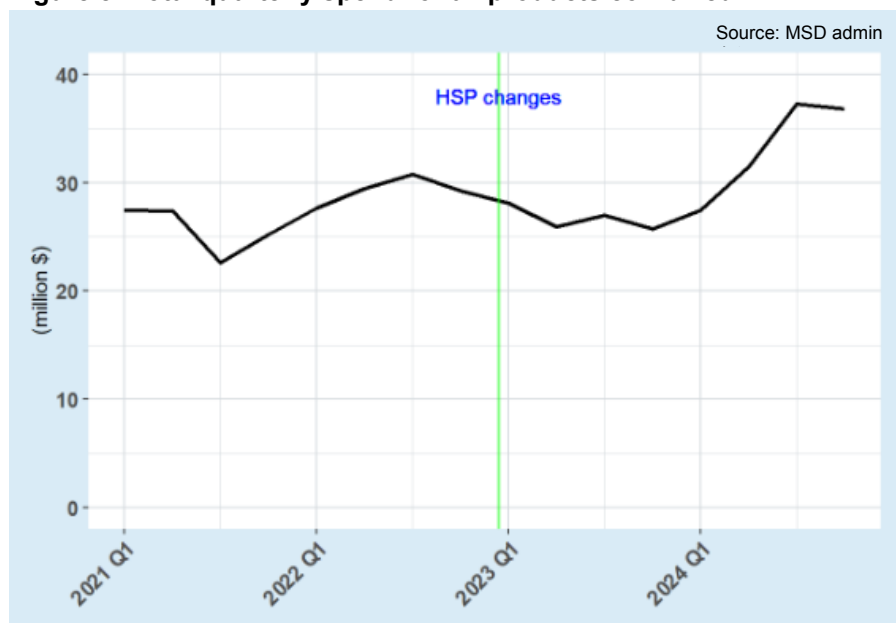
Figure 7: Numbers (left) and percentages (right) of clients and products by housing status at grant



At face value, due to the rebranding of housing-related hardship payments as HSPs, HSPs are being used a lot more and reaching more people. Looking at HSPs and RAPs/Advances together shows a more consistent pattern, largely unaffected by the changes. However, it is possible there is some unknown unmet demand.

***HSP amounts were updated to reflect true housing costs without a notable jump in spending (beyond expected increases over time)***

Figure 8: Total quarterly spend for all products combined



Even though the changes in March 2023 included updating grant maxima to match actual costs (e.g. bond grant maxima were changed to four times the weekly rent rather

than being capped at \$2,000), the total amount spent in 2023 was lower than in 2022.<sup>24</sup> An increase in 2024 includes \$2.9 million spent on the reintroduced non-RTA products. Figure 8 shows the trends overall by quarter.

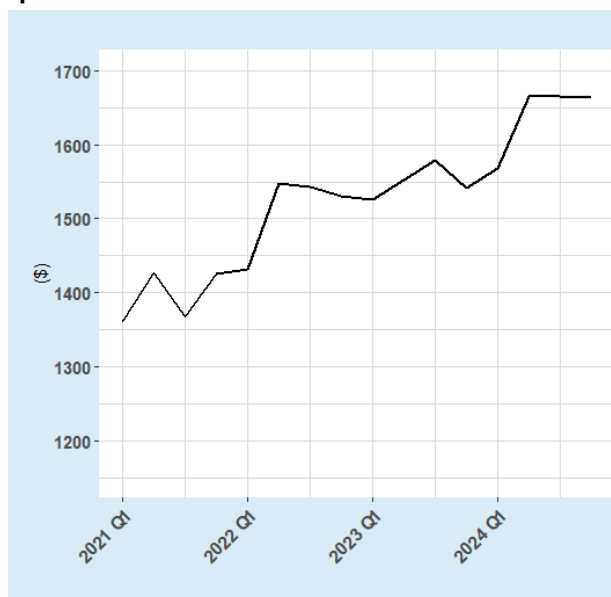
***Overall, grant amounts have kept pace with market costs with minimal impact from the removal of caps***

The removal of grant caps in March 2023 coincided with a slight, temporary, overall decrease in the average amounts being given to clients as shown in Figure 9. At this time, the more expensive HSPs were combined with the lower cost but more numerous RAPs/Advances, preventing a larger shift.

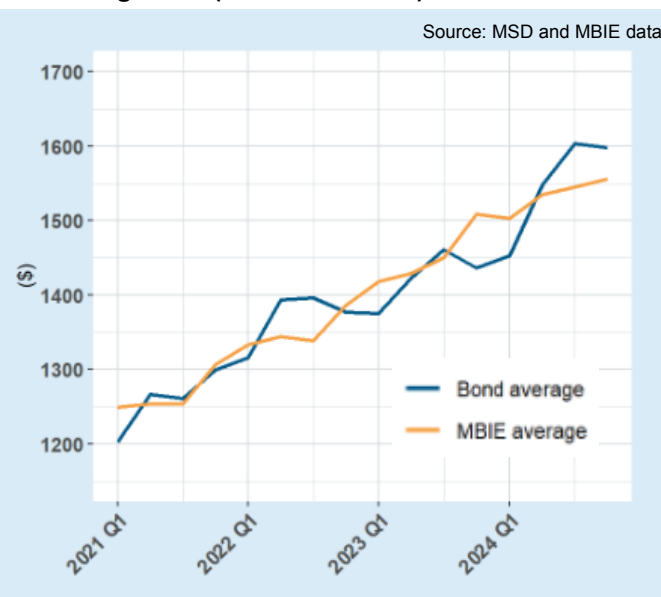
Grant amounts have kept pace with the market costs as shown in Figure 10.<sup>25</sup>

Overall costs have not been greatly impacted by the adjustments to grant maxima. HSPs becoming recoverable (except for the TTAH grant) will have also reduced the overall costs of the programme.

**Figure 9: Average amount to unique clients by quarter**



**Figure 10: Average bond amounts to clients vs average rent (from MBIE data)**



***The allowed grant frequencies were increased under the new programme, and the number of clients receiving more than two grants of the same type per year reduced***

Table 2 shows that the number of clients receiving three or more grants of a single type within a year has more than halved for Advance and Bond grants.<sup>26</sup> The number has

<sup>24</sup> Total spend on all products in 2022 was \$117.2 million, compared with \$106.8 million in 2023. The 2024 figure was \$133.1 million.

<sup>25</sup> Lower quartile weekly rent x 3 from MBIE rental data (most bond amounts are between two and four weeks' rent – multiplying the weekly rent by three scaled the results so they could be compared to bond grants). MBIE rental data downloaded from [www.tenancy.govt.nz/about-tenancy-services/data-and-statistics/rental-bond-data](http://www.tenancy.govt.nz/about-tenancy-services/data-and-statistics/rental-bond-data).

<sup>26</sup> HSP rules were changed in March 2023 to allow for a maximum of two grants per client per product per year (with the exception of TTAH which is only available once). Previously most HSPs were only available once per year, while Advances and RAPs did not have a cap but could not exceed \$600, unless in exceptional circumstances.

stayed relatively similar for Arrears grants. Multiple receipt of Moving Cost grants has increased in line with the overall increase for that product type.

**Table 2: number of clients receiving three or more of a single product type within a year**

| Year | Advance | Arrears | Bond | Moving |
|------|---------|---------|------|--------|
| 2021 | 1,110   | 1,356   | 735  | 12     |
| 2022 | 1,032   | 1,869   | 738  | 21     |
| 2023 | 417     | 1,461   | 315  | 78     |
| 2024 | 498     | 1,194   | 303  | 255    |

Source: MSD admin data

Nonetheless, there are still some clients who exceed the grant frequencies, which could be an indication that their needs exceed the grants on offer. Multiple and recurring use of HSPs could be an indication of housing insecurity.

***Around half of clients receive a single product type, while two-fifths receive a combination of Bond and Advance grants***

50.6 percent of HSP clients receive a single product type (this is within a quarter: clients could have received different products in multiple quarters). 43.7 percent of clients received two different payment types in a quarter (most commonly Bond and Advance – 41.0 percent of clients received this combination). Only 5.8 percent of clients received three or more product types within a quarter.

The fact that clients overwhelmingly require only two products could be an indication that the grants on offer are satisfactory. Several of the grants are for quite specific circumstances, limiting the scope for clients receiving more than two or three product types simultaneously.

***There may be unmet needs that could be targeted by payments like HSPs, but more work is needed in this area***

Some analytical work was done in 2022 to consider additional barriers for clients in EH that may be able to be addressed by additional payment types. Some suggestions were derived from looking at the 'Other' category for Special Needs Grants (additional hardship payments that can be accessed for specific needs).

Needs that were highlighted included the costs associated with maintaining a property (e.g. lawnmowing) or tenancy clean-up costs (such as skip hire), and the costs of modifying properties to meet specific health/disability needs. Focusing on clients in EH, needs were highlighted around storage costs, time and transport to viewings and looking after pets.

When asked to elaborate on their answers, additional needs identified by staff in the quarterly Change Pulse survey in June 2023 included debt management, assistance for

people in informal tenancy arrangements, the needs of disabled people and the need for wraparound support.<sup>27</sup>

Funds were made available as part of Budget 2024 to continue EH support services,<sup>28</sup> and services such as Community Navigators provide comprehensive support for clients in EH. Informal tenancy arrangements have been catered for with the reintroduction of non-RTA products. It may still be useful to look at hardship use to see where housing needs remain since the changes to HSPs.

***Bringing housing-related payments together in one programme with one IT system made them simpler for staff and clients to navigate***

***Staff reported increased simplicity but some additional steps to process applications***

Most staff who responded to the Change Pulse survey and had used both the old and new systems said they thought the new HSPs were easier or the same to administer than the old ones. Some commented on the complex information to be navigated, and others mentioned the amount of training received. Two staff mentioned the added complexity of getting external authorisation for payments.<sup>29</sup>

***The changes may not have had much impact on the time to process applications because of additional requirements added***

The 2023 changes mean that external approval is now needed for all grants, whereas before RAPs/Advances did not require this. Because of this, we would expect the time between submission and grant decision to have increased overall. Therefore, looking at measures such as the “time to pay” (which is the time between application and payment of grant) would likely have been inconclusive.

Staff interactions with clients may include assistance on a number of topics, making it difficult to pinpoint an exact date or time that a client first made contact about HSPs. This is another reason why it is difficult to measure the time from first contact to grant payment.

Another possible measure of the complexity of the process is the number of staff who have been involved in an application, which is recorded in the system. However, due to the added authorisation step for hardship grants, this is likely to have increased as well.

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<sup>27</sup> From Change Pulse Survey results, June 2023. The survey question asked “Are there any other needs not being met by the new HSPs that, if addressed, would prevent whānau from going into Emergency Housing?” The Change Pulse survey is a quarterly check-in with MSD staff to see how any recent changes have landed. See Appendix 4 for more details about the survey.

<sup>28</sup> MSD. 2024. Report to Minister: Budget 2024 and Fiscal Sustainability initial advice, [www.msd.govt.nz/documents/about-msd-and-our-work/newsroom/budget/2024/proactive-release/report-budget-2024-and-fiscal-sustainability-initial-advice.pdf](https://www.msd.govt.nz/documents/about-msd-and-our-work/newsroom/budget/2024/proactive-release/report-budget-2024-and-fiscal-sustainability-initial-advice.pdf). p. 9.

<sup>29</sup> From Change Pulse Survey results. Question 3: “I find processing the new HSP’s [much easier, easier, about the same, harder, much harder, I don’t know/I did not use HSPs/RAPS/Advances]”, and please elaborate on your answer.

## Discussion and implications

### ***HSPs are continuing to perform well***

The effectiveness rate for HSPs and housing-related RAPs/Advances has been increasing over time, and continued after the March 2023 changes were implemented. HSPs are effective 88.7 percent of the time (rising to 91.7 percent for the September 2024 quarter), well above the performance goal of 70 percent. Extending the effectiveness measure to six months (180 days) only reduced the rate a small amount.

HSPs are less effective for clients in a number of predictable ways, such as where they are in more difficult or less stable housing situations (e.g. clients in EH).

This evaluation work has shown that the changes in March 2023 successfully brought together housing-related hardship payments into one programme with HSPs while effectiveness continued to improve, and without notably impacting overall client numbers or cost.

### ***We are able to demonstrate changes in outcomes and impacts for those benefiting from HSPs, in line with the Social Investment Agency's Level Two evidence standard***

The nature of HSP delivery, where the products are granted to all eligible clients, means it is difficult to find a comparison group to allow us to demonstrate a causal link between HSP receipt and the ability to sustain housing from this evidence. To do this, we would need to find people who are in similar situations but not receiving HSPs to compare outcomes.

One area that could provide such a comparison group is EH. The analysis showed that "HSP-assisted" EH exits were more likely to be successful at 90 and 180 days (meaning no further EH in that time). Those receiving HSPs may be in a better position to start with where they are more likely to succeed (HSP eligibility criteria requires the recipient to be able to sustain a tenancy). However, quasi-experimental techniques such as Propensity Score Matching could be applied to create a comparison group of clients in similar circumstances. This may still be challenging, and it should also be noted that EH clients only represent around 4 percent of HSP clients (and EH numbers have declined significantly in recent months).

### ***We may need to bring in other evidence to understand client outcomes across longer timeframes and where they are not accessing housing support***

For this analysis we have focused on significant indicators of housing instability (EH and SHR). However, further analysis could be carried out to understand in more detail how people are interacting with various forms of housing support in the social or private rental markets. In this work, additional outcomes including TH and SH tenancies have been included in further analysis, as well as AS receipt, but there is still a cohort for which outcomes are unknown due to no further housing-related interaction with MSD.

Additional analysis looking at other hardship use or including HSP grant data in the Integrated Data Infrastructure (IDI) to allow examination of clients' interactions with other agencies would potentially allow for a more complete picture.

90 or 180 days post-grant may not be long enough to demonstrate long-term housing security – extending the analysis to 12 months or longer may be useful to understand long-term outcomes.

***Within a complex housing system, it is difficult to isolate why HSPs work in most cases to assist clients to obtain or sustain secure accommodation, or what might be different in cases where they are ineffective***

While AS receipt is included in outcomes analysis as an indication of housing stability, it is one of a number of supports and changes in circumstances that may contribute to clients' housing success. We are still missing the answer to "why" some clients are successful and some are not, and to what extent the receipt of an HSP has played a role.

HSPs are an important financial tool to address barriers for clients to sustain long-term housing. However, they are part of a complex system, including external forces such as housing supply, that impact clients' success in the rental market.

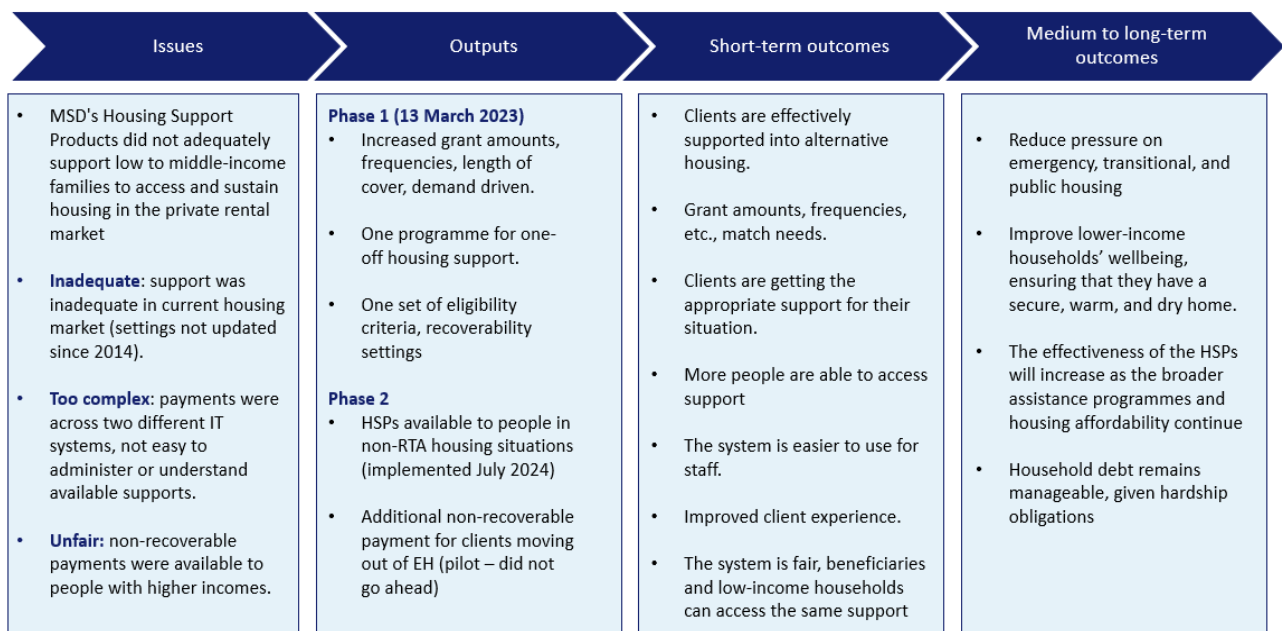
Questions remain about why HSPs work for some people and not others, which would be best addressed through in-depth qualitative work with clients to understand how the grants fit in with other supports and changes in circumstances to help people obtain or sustain accommodation.

## Appendix 1: Evaluation approach and Intervention Logic

### 1. Evaluation framework

As the changes to HSPs were being implemented, an evaluation framework for HSPs was developed. The HSP evaluation framework outlined key evaluation questions relating to HSPs (derived from the intervention logic below, also developed during this phase) and the data/measures required to answer them. It aimed to understand the impacts of changes made in March 2023, as well as contribute to our understanding of the effectiveness of the products and how they are serving the community

**Figure 11: Intervention logic for the HSP changes in March 2023**



#### *Key evaluation questions (KEQs)*

#### **Were the new HSPs designed and implemented, and are they being administered, in a way that allows for achievement of key outcomes?**

- Reaching the right people - are the people who will benefit from the help receiving it?
- Adequacy - are HSPs meeting clients' current housing needs and costs?
- Simplicity - is the system easier to use for staff, while client experience is improved through clearer and simpler settings?

#### **How well do HSPs work, and for whom?**

- Overall effectiveness – how many clients successfully leave and/or stay out of temporary housing after receiving an HSP?
- How well do HSPs address the specific housing needs of different groups and communities, such as Māori and Pacific peoples?
- How do HSPs work in conjunction with other housing supports, e.g. AS?
- Is access to HSPs fairly distributed? What is the impact on client debt?

## **2. Data collection and analysis**

In this phase of the project, we assessed the ability of existing MSD administrative data to answer the KEQs about HSPs, along with some additional easy-to-gather information. The analysis was done using repeatable code so the main findings can be updated quarterly if required.

We collected data about HSPs and housing-related RAPs and Advances granted from Jan 2021 until September 2024 (for outcomes analysis) and up to December 2024 (just looking at numbers and spend).

Data included information about the clients collected at the time of grant, such as demographic details, benefit and housing status (e.g client is in Emergency Housing (EH) or Social Housing (SH) or receiving Accommodation Supplement (AS), etc) and their status three months (90 days) post-HSP receipt.

## **3. Insights report and further research recommendations**

From the information gathered in Phase 2, we identified gaps and made recommendations for further research to answer remaining questions. These results were shared internally via an 'Initial Insights' report. While not all of the questions were able to be fully answered by the Phase 2 analysis, further research was limited to extending data collection to the end of December 2024 to allow for the inclusion of the non-RTA products, and some additional work looking at HSP use for EH clients. As such, the insights are limited to what could be derived from analysis of MSD administrative data, staff Change Pulse survey results and some external data sources.

## **4. Final report**

This final report summarises all of the findings and assesses the information gathered against the KEQs. It brings together all the learnings from this work, builds on previous reviews, and recommends where further work would be beneficial.

## **Governance and review**

The plan and framework were developed in consultation with the HSP working group (which included representatives from Policy, Insights, Transformation and Housing Service Delivery). The plan was reviewed by the Insights Leadership Team (LT) in May 2023 and the MSD Research Ethics Panel on 29 August 2023. The 'Initial Insights' report and recommendations for further research was shared with Policy and SD LT in April 2024 (following feedback and consultation with the working group and others). This final report has been reviewed internally by Insights, Housing SD and Housing Policy and by colleagues from the Ministry of Housing and Urban Development.

## Appendix 2: Quarterly breakdown of products and client numbers

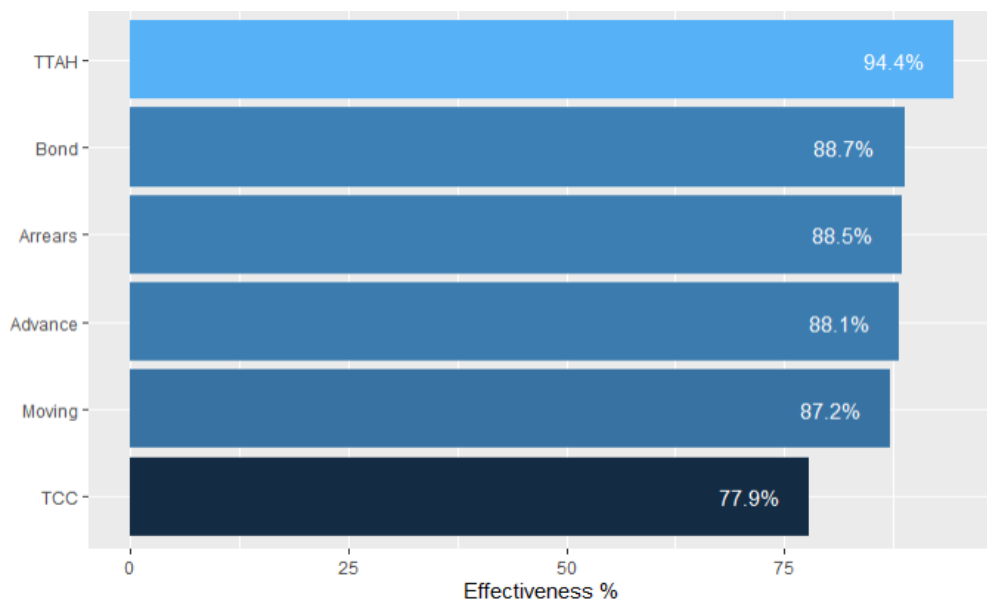
**Table 3**

| Quarter | Bond        |        |         | Arrears     |       |         | Advance     |        |         | Moving |         | TCC | TTAH |
|---------|-------------|--------|---------|-------------|-------|---------|-------------|--------|---------|--------|---------|-----|------|
|         | RAP/Advance | HSP    |         | RAP/Advance | HSP   |         | RAP/Advance | HSP    |         |        |         |     |      |
| 2021 Q1 | 10,755      | 1,287  |         | 5,556       | 1,854 |         | 11,586      | 687    |         | 231    |         | 18  | 27   |
| 2021 Q2 | 10,314      | 1,542  |         | 5,295       | 1,540 |         | 11,091      | 879    |         | 270    |         | 15  | 24   |
| 2021 Q3 | 8,124       | 1,126  |         | 5,709       | 631   |         | 9,201       | 681    |         | 195    |         | 6   | 15   |
| 2021 Q4 | 9,303       | 1,172  |         | 6,066       | 396   |         | 10,221      | 708    |         | 222    |         | 12  | 33   |
| 2022 Q1 | 9,414       | 815    |         | 8,115       | 366   |         | 10,035      | 483    |         | 201    |         | 15  | 30   |
| 2022 Q2 | 10,620      | 872    |         | 6,714       | 220   |         | 11,256      | 561    |         | 135    |         | 15  | 30   |
| 2022 Q3 | 10,734      | 1,091  |         | 7,053       | 284   |         | 11,577      | 684    |         | 213    |         | 21  | 45   |
| 2022 Q4 | 9,840       | 907    |         | 7,329       | 282   |         | 10,488      | 603    |         | 198    |         | 18  | 54   |
| 2023 Q1 | 6,759       | 2,710  |         | 6,699       | 1,954 |         | 6,927       | 2,583  |         | 348    |         | 21  | 36   |
| 2023 Q2 | 3           | 8,783  |         | 0           | 6,383 |         | 3           | 9,570  |         | 1,047  |         | 27  | 60   |
| 2023 Q3 | 0           | 9,085  |         | 0           | 6,185 |         | 0           | 10,005 |         | 1,275  |         | 42  | 51   |
| 2023 Q4 | 0           | 8,831  |         | 0           | 5,864 |         | 0           | 9,864  |         | 1,272  |         | 18  | 60   |
| 2024 Q1 | 0           | 8,986  |         | 0           | 6,322 |         | 0           | 10,137 |         | 1,575  |         | 18  | 39   |
| 2024 Q2 | 0           | 10,747 |         | 0           | 5,305 |         | 0           | 12,246 |         | 1,977  |         | 24  | 60   |
|         |             | RTA    | non-RTA |             | RTA   | non-RTA |             | RTA    | non-RTA | RTA    | non-RTA |     |      |
| 2024 Q3 | 0           | 12,066 | 117     | 0           | 5,523 | 504     | 0           | 13,959 | 1,290   | 2,130  | 447     | 15  | 102  |
| 2024 Q4 | 0           | 11,859 | 87      | 0           | 5,514 | 513     | 0           | 13,707 | 1,263   | 2,124  | 468     | 18  | 141  |

## Appendix 3: Effectiveness for different products

Analysis compared the effectiveness of different products (the last grant to unique client per quarter per product type). Figure 12 ranks the grants in order from most to least effective (see p. 10 for discussion).

**Figure 12: Effectiveness for different products**



## Appendix 4: Change Pulse survey

The Change Pulse survey is a quarterly staff survey focused on recent changes that impact different areas of the business. In June 2023 it featured questions on the recent HSP changes for staff responsible for administering HSPs.

1. Compared to the previous HSPs/RAPs/Advances, do you feel the new HSPs help whānau to obtain and stay in their homes? Please elaborate on your answer.

Across the three types of staff (centralised services, contact centre and regional services staff), 320 people answered the question.

The majority of staff said that the new HSPs were either the same or helped mostly or a lot compared to the previous ones. Not many staff elaborated on their responses but those who did raised concerns that the products do not “address underlying issues causing whānau to struggle”, especially with the removal of non-recoverable HSPs. They also mentioned that the products are more restricted now, so may be less adequate.

2. Are there any other needs not being met by the new HSPs that, if addressed, would prevent whānau from going into Emergency Housing?

The majority of staff said yes. When asked to elaborate on their answers, additional needs mentioned included debt management, assistance for people in informal tenancy arrangements, the needs of disabled people and the need for wraparound support.

3. “I find processing the new HSP’s [much easier, easier, about the same, harder, much harder, I don’t know/I did not use HSPs/RAPS/Advances]”, and please elaborate on your answer.

Of the staff who had experience with both the old and new systems, the majority said they thought the new HSPs were easier or the same to administer than the old ones. Some of those who elaborated on their answers commented on the complex information to be navigated, and other mentioned the amount of training received. Two staff mentioned the added complexity of getting external authorisation for payments.

## Appendix 5: 'HSP assisted' EH exits

An 'HSP-assisted' exit is where a client has exited EH (meaning they have had four consecutive weeks without a further EHG), and received one or more HSPs within a month either side of the exit date.

34.5 percent of EH exits were HSP-assisted (17,070 out of 49,437 altogether between Jan 2021 and June 2024).

A 'successful' exit is where a client has not received a subsequent EHG for 90 days (or 180 days below) post-exit.

### For EH spells that ended between 1 Jan 2021 and 30 June 2024:

Number of 'successful' exits = 46,491.

- **94.1** percent of overall exits are successful.

HSP-assisted exits

- successful: 16,641 - **97.5** percent
- unsuccessful: 429 - 2.5 percent

Non-HSP-assisted exits

- successful: 29,850 - **92.2** percent
- unsuccessful: 2,514 - 7.8 percent

The success rate for HSP-assisted exits is **5.3 percent** higher than those without HSPs.

### Changing the definition of success to at least 6 months without further EHG

If we change the definition of success to be no further EHG for 180 days, the difference is even greater for HSP-assisted exits (denoted as '**successful +**').

Number of 'successful+' exits = **44,163**.

- **89.3 percent** of exits are successful overall using the 6 months measure.

HSP-assisted exits

- successful+: 16,116 - **94.4 percent**
- unsuccessful+: 957 - 5.6 percent

Non-HSP-assisted exits

- successful+: 28,047 - **86.7 percent**
- unsuccessful+: 4,317 - **13.3 percent**

The six-month success rate for HSP-assisted exits is **7.7 percent** higher than those without HSPs.