

**Vote:** Social Development

**Appropriation Administrator:** Ministry of Social Development

**Title:** Housing Supports – Including Boarders’ Contributions in the Calculation of Subsidies for Private and Social Housing

**Description:** This savings initiative returns \$129.541 million in operating funding by changing the way housing contributions from boarders are recognised when calculating entitlement to housing subsidies - Accommodation Supplement, Temporary Additional Support, Special Benefit and the Income-Related Rent Subsidy. This saving is partly offset by a small implementation cost.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	2.017	(10.994)	(57.975)	(62.589)
Net Core Crown Debt Impact Only	-	1.575	5.319	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>3.592</b>	<b>(5.675)</b>	<b>(57.975)</b>	<b>(62.589)</b>

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Departmental Output Expenses:</b>					
Services to Support People to Access Accommodation (funded by revenue Crown)	-	2.017	3.968	2.407	2.273
<b>Capital Injections:</b>					
Ministry of Social Development - Capital Injection	-	1.575	5.319	-	-
<b>Benefits or Related Expenses:</b>					
Accommodation Assistance	-	-	(6.471)	(33.616)	(36.766)
Hardship Assistance	-	-	(8.491)	(26.766)	(28.096)
<b>Total Operating</b>	-	<b>2.017</b>	<b>(10.994)</b>	<b>(57.975)</b>	<b>(62.589)</b>
<b>Total Capital</b>	-	<b>1.575</b>	<b>5.319</b>	-	-

**Additional Recommendations**

- 20 **noted** that when a person receives contributions from one or two boarders towards their housing costs, these contributions are not currently counted when MSD assesses in full the amount and type of housing subsidies (Accommodation Supplement, Temporary Additional Support, the grandparented Special Benefit and the Income-Related Rent Subsidy) that the person is eligible for;
- 21 **agreed** to count the housing contribution from all boarders in the assessment of housing subsidies from 1 April 2026;
- 22 **noted** that it is estimated that around 12,300 recipients of the Accommodation Supplement have one or more boarders who are also receiving the Accommodation Supplement, that around 7,700 social housing tenants have boarders, and that there are also other adults living in households who receive a housing subsidy and those other adults contribute to the household's housing costs;
- 23 **noted** that it is possible that the change could discourage some lower income households from taking in boarders, although many boarding arrangements appear to reflect family responsibilities and are therefore likely to continue;
- 24 **authorised** the Minister for Social Development and Employment, the Associate Minister of Housing, and other Ministers as appropriate to make final decisions on the policy details of the change outlined at paragraph 21 above;
- 25 **noted** that the decision in paragraph 21 above will require amendments to the Social Security Act 2018, the Social Security Regulations 2018, and the Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018;
- 26 **invited** the Minister for Social Development and Employment to issue drafting instructions to the Parliamentary Counsel Office to give effect to the decisions above;
- 27 **noted** that this initiative relates to Initiative 16195 in Vote Housing and Urban Development;