MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

19 June 2026

Tēnā koe

Official Information Act request

Thank you for your email of 23 April 2026, requesting information about the Ministry's involvement in the Office of Auditor-General (OAG)'s 25 May 2026 review report.

You requested:

- *The requested information includes all contact to and from MSD and the Auditor-General's office from commencement of the review to the report, including MSD's comments on any draft review report.*
- *Information requested includes MSD's response to the Auditor-General to the review report and recommendations, including commitments MSD has made to the Auditor-General and steps MSD has taken.*
- *Information requested includes all internal communications and advice within MSD and to and from external persons and organisations, including media.*
- *Please note, the information requested that I include is not limited to that specific information. I request all information held by MSD within the scope of my request.*

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below.

Your request covers a broad range of material, including all internal and external communications, advice, and related documentation held by the Ministry. A substantial manual collation would be required to locate and prepare all documents within scope of your request. As such, I refuse your request under section 18(f) of the Act. 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 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.

Notwithstanding this, we are providing you with the Ministry's feedback and response on the draft report prepared by OAG.

Please find attached the following appendices within the scope of your request:

- **Appendix One** – an email from the Ministry to OAG dated 17 December 2025, providing an update and requesting for further information.
- **Appendices Two to Six** – Attachments to the 17 December 2025 email.
- **Appendix Seven** – The Ministry's feedback on the Draft Audit Report, dated 30 January 2026.
- **REP/25/5/369** – *Report – Update on Priority One fast track for emergency housing clients after twelve months.*

Please note that the mobile number of Housing Director in Appendix One and the name of an individual Ministry staffer in REP/25/5/269 have been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons. We consider that the need to protect the privacy of these individuals outweighs any public interest in the release of this information.

Some information in REP/25/5/269 is withheld under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. 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 in REP/25/5/369 is withheld under section 9(2)(h) of the Act in order to maintain legal professional privilege. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

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 my decision on your request, 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

pp.

Anna Graham
General Manager
Ministerial and Executive Services

MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Report

Date:	29 May 2025	**Security Level:**	In-confidence
To:	Hon Chris Bishop, Minister of Housing Hon Louise Upston, Minister for Social Development and Employment Hon Tama Potaka, Associate Minister of Housing		
File Reference:	REP/25/5/369		

This report contains legal advice and may be legally privileged. It should not be disclosed on an information request, without further legal advice.

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Update on Priority One fast track for emergency housing clients after twelve months

Purpose of the report

1 This report provides you with an update on the Priority One fast track (Priority One) for social housing (SH) 12 months after it was implemented. It also responds to your request for further advice on:

1.1 9(2)(h) [redacted]

1.2 MSD's privacy advice for information sharing arrangements that are required for the exclusion of tenants previously evicted from SH [REP/24/4/300 refers].

Executive summary

2 Priority One has contributed to a rapid reduction in the total number of households with children in emergency housing (EH), from 1,776 households with children as at May 2023 to 187 households with children as at 23 May 2025

3 Additionally, Priority One has likely contributed to:

3.1 a higher proportion of household's with children exiting emergency housing and entering social housing. During October 2023, 16 percent of households with children in EH entered SH (six months pre-implementation of Priority One compared to 31 percent of Priority One household's being placed into SH in October 2024 (six months post-implementation of Priority One).

3.2 a possible increase in demand for social housing (however, a households wait time would primarily depend on their needs, location, and the availability of suitable SH).

3.3 an increase in the average duration of stay in emergency housing for the small number of remaining households with children with the average duration of stay increasing by 2.9 weeks between July 2023 (ten months prior to implementation of Priority One) from 24.5 weeks to 27.4 weeks in March 2025 (ten months after implementation of Priority One).

3.4 a positive impact on whānau Māori (households with children who identify as Māori), with a reduction of 959 whānau Māori in emergency housing.

9(2)(h) [redacted]

4 9(2)(h) [redacted]

Information sharing arrangements regarding previous evictions from social housing

5 In March 2024, the Cabinet Social Outcomes Committee agreed to exclude households who have been previously evicted from SH from Priority One if this could be done in a fair and consistent way [SOU-24-MIN-0008 refers]. Ministers later indicated that they wanted officials to do further work on the necessary information sharing arrangements required to implement these exclusions in the longer-term.

6 MSD has concluded that an information sharing agreement between MSD and Kāinga Ora/Community Housing Providers could not be delivered in a fair and

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9(2)(h) [redacted]

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consistent way. This is because there is no principled distinction between Kāinga Ora tenants and tenants from other tenancies being evicted for poor behaviour, and MSD would not have the same access to information about evictions for applicants who were in private tenancies. MSD has discretion under the Emergency Housing Grant Programme to request information about eviction where this is relevant to whether an applicant has caused or contributed to their circumstances. In these cases, MSD may decline an application for EH from an applicant who has previously been evicted from social or private housing. This partially achieves Cabinet's intention to exclude people evicted from SH.

Recommended actions

It is recommended that you:

1 **note** that you agreed to receive the following:

1.1 a 12-month report on the outcomes of Priority One [REP/24/1/046 refers]

1.2 9(2)(h) [redacted]

1.3 advise on information sharing arrangements required to implement the exclusion of tenants previously evicted from social housing from Priority One [REP24/4/300 refers].

2 **note** that Priority One has contributed to a rapid reduction in the total number of households with children in emergency housing, from 1,776 households with children as at May 2023 to 187 households with children as at 23 May 2025, which has helped achieve the Government's emergency housing target (Target 8)

3 **note** that other insights from this 12-month report on the outcomes of Priority One include:

3.1 a higher proportion of households with children exiting emergency housing and entering social housing

3.2 a possible increase in demand for social housing

3.3 an increase in the average duration of stay in emergency housing for the small number of remaining households with children

3.4 a positive impact on whānau Māori (households with children who identify as Māori).

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4 9(2)(h) [redacted]

5 9(2)(h) [redacted]

6 **agree** that Priority One continues to be given effect through the existing Cabinet authority, and legislative change is not progressed at this time

AGREE / DISAGREE

7 **note** that the Ministry of Social Development considers that an information sharing agreement between the Ministry of Social Development and Kāinga Ora to obtain information about evictions cannot be delivered in a fair and consistent way and this information can now be requested by the Ministry of Social Development as part of an application as part of an Emergency Housing Grant

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8 **agree** not to progress work on an information sharing agreement between the Ministry of Social Development and Kāinga Ora/Community Housing Providers relating to social housing evictions.

AGREE / DISAGREE

29/05/2025

Alex McKenzie
Policy Manager, Housing
Ministry of Social Development

Date

Hon Chris Bishop,
Minister of Housing

Date

Hon Louise Upston,
Minister for Social Development and Employment

Date

Hon Tama Potaka,
Associate Minister of Housing

Date

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Background

7 On 30 April 2024, Priority One was established to give households with at least one dependent child, in EH for 12 weeks or more, a fast track to enter SH more quickly (dependent on having an appropriate property for the client). The precedent for a fast track to SH was set by the rheumatic fever fast track in 2014 (and was expanded nationwide by 2022), and the Oranga Tamariki fast track that commenced in 2018. Both remain a higher priority than Priority One.

8 Priority One is a key initiative to improve pathways out of EH and to support households with children out of EH and into stable accommodation more quickly. MSD manually tags eligible households to ensure they will receive the Priority One status on the SH register.

9 The intended aims of Priority One are to:

9.1 improve pathways into SH for households with children who have resided in EH for 12 weeks or longer

9.2 reduce the duration of stay in EH for households with children by prioritising eligible households into SH more quickly,

9.3 contribute to the Government's goal of reducing the large scale and long-term use of motels for EH.

10 In Budget 2024, an 'Emergency Housing invest-to-save' initiative was approved, which tightened the eligibility settings to EH, and continued investment in MSD's support services. Since introducing this initiative, MSD has significantly exceeded these expected savings, and can now recognise an additional $1.02 billion in savings from 2024/25 to 2028/29. These additional savings were recognised for the Government's operating balance through Budget 2025.

11 These initiatives (Emergency Housing invest-to-save and Priority One) have supported the Government to achieve its EH target (Target 8) that will see 75 percent fewer households in EH (from 3,100 households in December 2023 to 800 households) by 2030. This target was achieved five years early with 591 households in EH in December 2024.

Priority One has contributed to a rapid reduction in the total number of households with children in EH

12 Priority One has been successful at reducing the total number of households with children in EH, thereby contributing to one of the policy aims of Priority

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One which is to support the Government's goal of reducing the long-term and large-scale use of motels for EH.

13 This success measure is based on pre-and-post implementation data which shows there has been a rapid reduction of the total number of households with children in EH since the establishment of Priority One (see **Table 1** below).

Table 1. Number of households with children in EH between May 2023 – May 2025:

Date	Snapshot of number of households with children in EH
24 May, 2023	1,776
31 May, 2024 (implementation of Priority One)	1,152
23 May, 2025	187

14 The number of total households with children 12-months pre-implementation of Priority One (as at May 2023) was 1,776, compared to 187 total households with children in EH 12-months post-implementation (as at May 2025).

15 However, in addition to Priority One, there are multiple factors that may have also contributed to this reduction, such as net increase of suitable SH supply for the target cohort, reduced demand for SH from the wider SH register, wider market forces affecting the demand and supply of private accommodation and tightening of eligibility criteria for EH in August 2024.

16 Priority One has had a positive impact on regions with historically high numbers of people in EH. Additional information on the reduction of households with children in EH in these key regions is attached as **Appendix One**.

Since the implementation of Priority One, there is a higher proportion of households with children entering SH...

17 Since the implementation of Priority One, a higher proportion of households with children in EH entered SH. For example, 16 percent of households with children in EH entered SH in October 2023 (six months before the implementation of Priority One),[2] compared to 31 percent of Priority One

[2] In October 2023, 16 percent equates to 83 households with children exiting out of EH into SH (76 into Kāinga Ora housing and 7 into Community Housing Provider properties) out of 502 total households with children exiting out of emergency housing.

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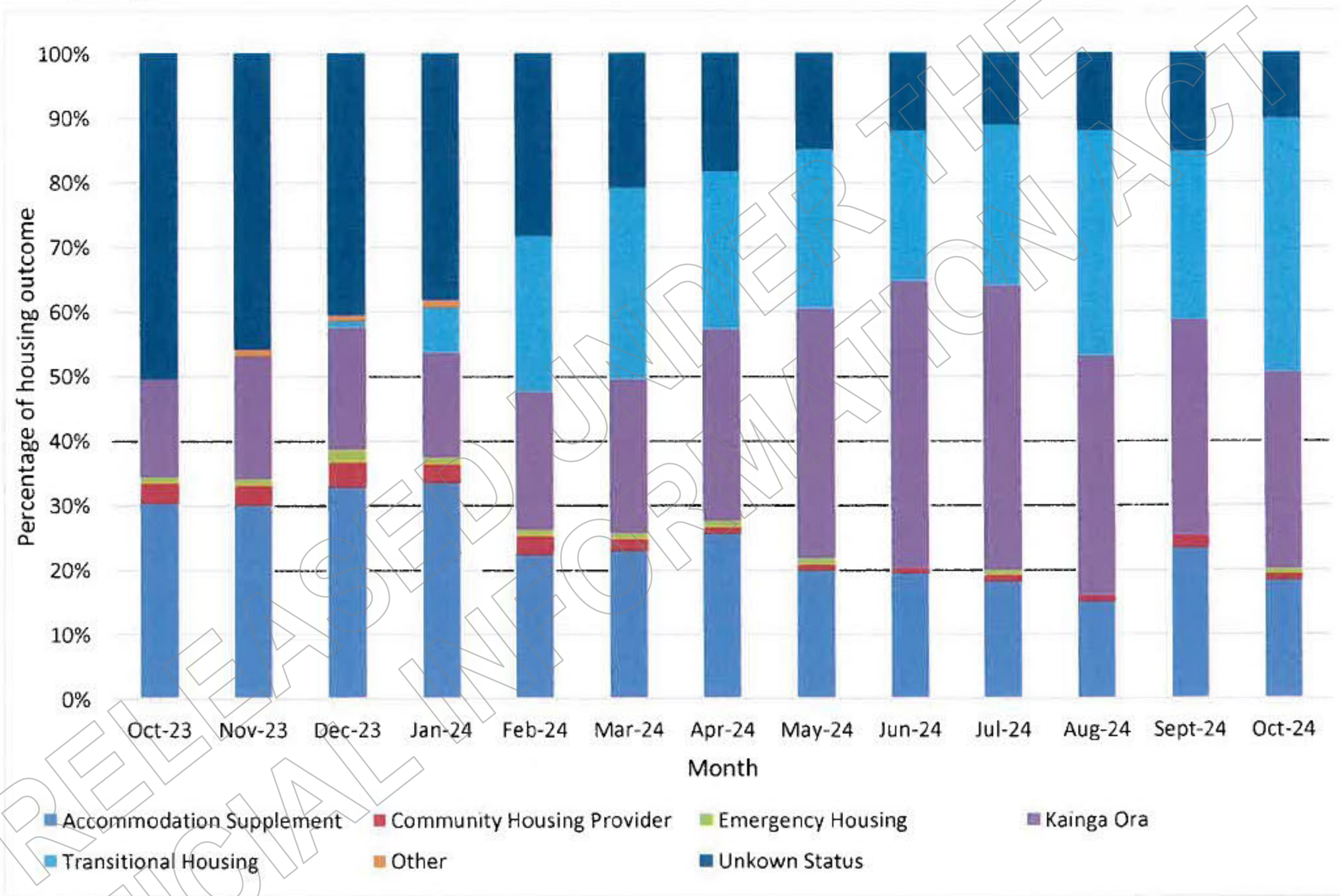
households being placed into SH in October 2024 (6 months post-implementation of Priority One).[3]

18 Figure 1 below shows the different types of accommodation that households with children in EH moved into from October 2023 to October 2024.

Figure 1. Housing Outcomes for EH Households with Children (October 2023 - October 2024)[4]



... however, Priority One may have increased demand for SH for eligible households

19 Data on housing outcomes for households with children in EH provides insights on a possible increase of demand for SH due to the increasing proportion of households with children entering SH since the implementation of Priority One. 9(2)(f)(iv) [redacted] 9(2)(f)(iv) [redacted]

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[3] In October 2024, 31 percent equates to 74 households with children (eligible for Priority One) exiting out of emergency housing into SH (71 into Kāinga Ora housing and 3 into Community Housing Provider properties) out of 234 total households with children exiting out of emergency housing.

[4] HUD's transitional housing data only became available in December 2023. Prior to this date, TH data may have been categorised as "unknown status."

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20 At times, this may have created situations where possible increased demand for SH may have resulted in households with children eligible for Priority One waiting longer for a SH placement. However, any households wait time would primarily depend on their needs, location, and the availability of suitable SH.

Priority One may have contributed to longer durations of stay for the remaining small number of households with children (who are eligible for Priority One) in EH

21 While there has been a rapid reduction of households in EH since introducing Priority One, data shows that the average duration of stay in EH for households with children has increased over time.

22 The average consecutive weeks of stay in EH for households with children has increased since the introduction of Priority One. For example, the average duration of stay in July 2023 (ten months prior to implementation of Priority One) was 24.5 weeks for households with children compared to 27.4 weeks in March 2025 (ten months after implementation of Priority One) for Priority One households.

23 It is important to note, that the increased average of duration of stay for households with children is across a substantially smaller number of households compared to the number of households with children prior to the introduction of Priority One (see Figure 2 below). Anecdotal evidence from MSD suggests many of the remaining small number of households in EH have higher and more complex needs that may be contributing to their longer duration of stay.

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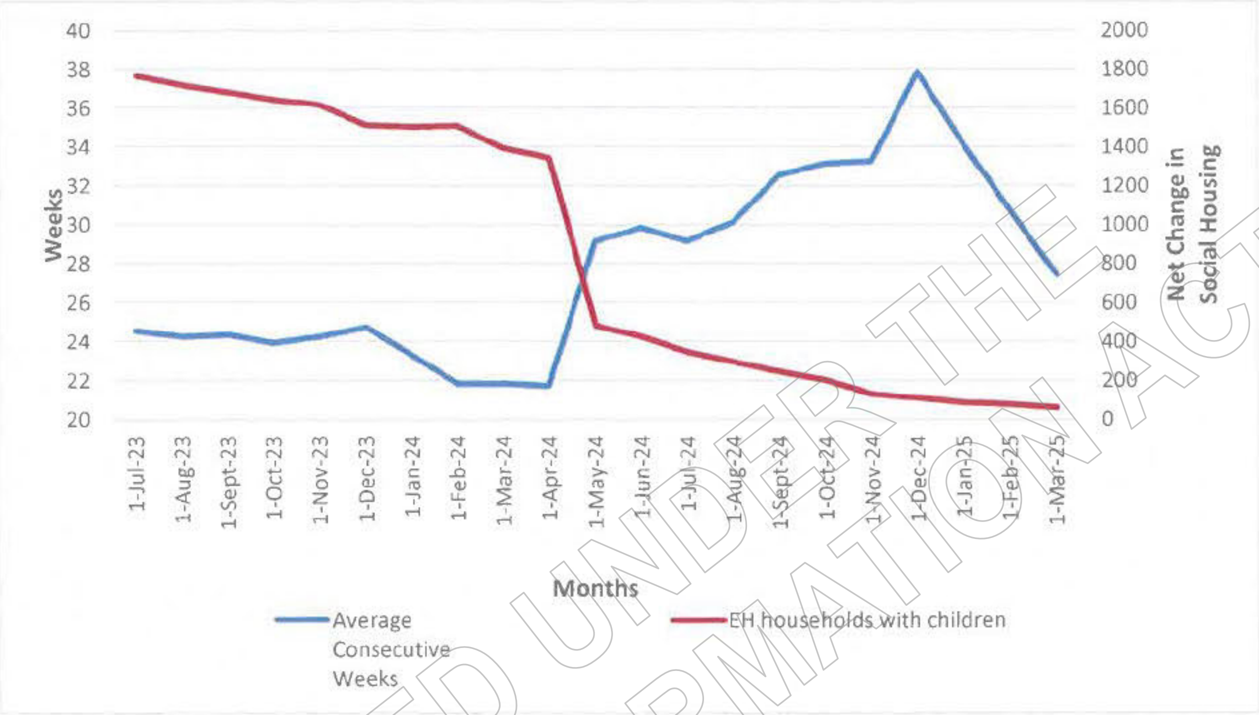
Figure 2: Average consecutive weeks in EH for households with children (July 2023 - March 2025)[5]



While there could be a relationship between the efficacy of Priority One and availability of suitable SH, it is not possible to establish a direct link

24 There has been an increase in total SH supply, with a larger net increase over the year since April 2024, compared to recent years. This could mean that the net increase in SH may have supported the rapid reduction of households with children being placed into SH since Priority One was implemented. Further, there has been an increase in the number of households from the SH register placed into SH.[6]

25 In terms of availability of SH influencing the average duration of stay for Priority One households, there appears to be a relationship between the sustained net increase of SH and reduced average duration of stay for Priority One households in EH (see Figure 3 below). This can be observed during the timeframe of October 2024 – March 2025.

[5] The average duration of stay for Priority One households is measured from May 2024 (implementation of Priority One).

[6] As at end of April 2022-April 2023 a total of 6,504 households were placed into SH from the register compared to 11,878 households at the end of April 2024-April 2025.

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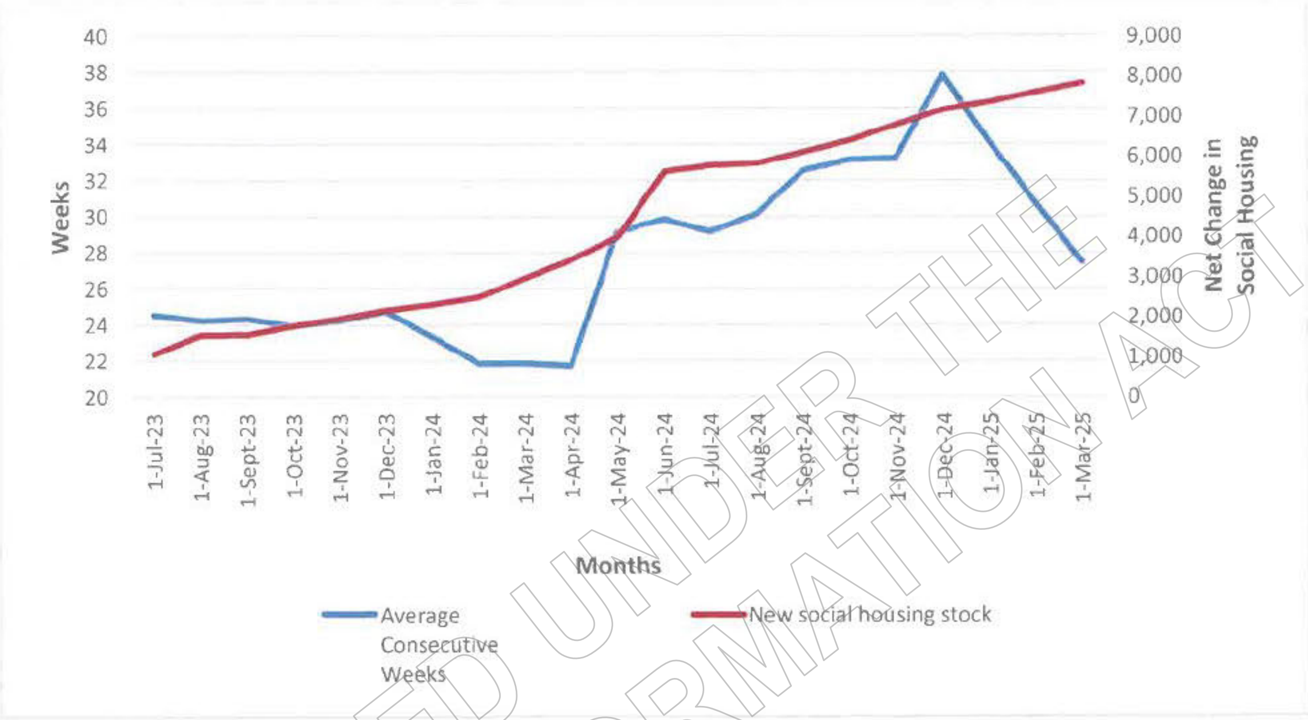
Figure 3. Average consecutive weeks in EH for families with children and net change in SH (July 23 - March 25)



26 Without more information, however, we cannot directly link the average duration of stay for Priority One households with the availability of SH due to complexity of factors such as, the client and their family's needs, the typology and location of SH, and behavioural changes from tightening eligibility criteria for EH.

Priority One has had a positive impact on whānau Māori in emergency housing

27 In March 2024, the Cabinet Social Outcomes Committee was advised that Māori are overrepresented in EH [SOU-24-SUB-0008 refers]. Changes to the priority of EH recipients on the housing register (via the fast track) would therefore likely improve housing outcomes for eligible Māori.

28 Data shows that Priority One has positively impacted whānau Māori (households with children who identify as Māori) by helping to address this cohort's overrepresentation in EH. There were 999 whānau Māori in EH in October 2023 (six months before the implementation of Priority One) which represented 64 percent of the total number of households with children in EH. This can be compared to 40 Priority One whānau Māori in October 2024 (six months after the implementation of Priority One) which represents a total of 12 percent out of the total number of households with children in EH.

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We consider that no new work is needed at this stage on the two issues you have sought advice on

29 There are two issues you have requested further advice on:

29.1 9(2)(h) [redacted]

29.2 information sharing arrangements relating to the exclusion of tenants previously evicted from SH who are now on Priority One.

9(2)(h) [redacted]

30 9(2)(h) [redacted]

31 [redacted]

32 [redacted]

33 [redacted]

34 [redacted]

35 [redacted]

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9(2)(h) [redacted]

Priority One access for people previously evicted from social housing

36 In March 2024, the Cabinet Social Outcomes Committee (with Power to Act) agreed that Priority One would exclude households that have been previously evicted from SH or declined suitable SH. This was agreed to if it could be done in a fair and consistent way [SOU-24-MIN-0008 refers].

37 In April 2024, MSD advised that it is not possible to implement exclusions from Priority One for people evicted from SH without updating MSD's information sharing agreements with Kāinga Ora and Community Housing Providers. An Approved Information Sharing Agreement would take between 18–24 months to introduce and would be subject to scrutiny by both the Privacy Commissioner and the public [REP/24/4/300 refers]. Ministers requested that officials do further work on the necessary information sharing arrangements required to implement the exclusions in the longer-term.

38 As part of this work, MSD conducted a privacy, human rights, and ethics assessment on the exclusion. MSD's privacy advice concluded that an information sharing agreement between MSD and Kāinga Ora could not be delivered in a fair and consistent way.

39 It was advised that there is no principled distinction between Kāinga Ora tenants evicted for poor behaviour and tenants evicted from other tenancies, because there may be an historical action whether a tenant managed to secure a Kāinga Ora house or not. Other than that action, situations may be identical so that distinguishing between them for a significant social benefit such as priority for EH, or access to EH, would be arbitrary. There is the risk that such a policy would infer that Kāinga Ora tenants are inherently riskier than non-Kāinga Ora (or private) tenants.

40 An information sharing agreement could provide MSD with information regarding an applicant's housing history with Kāinga Ora and Community Housing Providers. MSD does not have access to the same information for private tenants.

41 Since August 2024, the Emergency Housing Grants Programme includes provisions which allow MSD to ask for extra information and supporting documents on why a client needs EH assistance. If an applicant declines to provide further information, or if the information shows that a client contributed to their housing need, MSD has discretion to decline the application. As a result of this, it is likely that some tenants evicted from SH or private housing would already be excluded from Priority One as they will be declined access to EH.

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42 While Kāinga Ora has recently changed its operational policy and practice regarding antisocial behaviour and rent arrears, the number of tenants being evicted is expected to remain relevantly small when considered as a proportion of total SH tenancies.

43 We consider that as MSD already has discretion to decline applications for EH from applicants who have been evicted from social or private housing, Cabinet's intention to exclude people evicted from SH from Priority One is already partially achieved. We recommend that no further work is done to advance an information sharing agreement with Kāinga Ora and Community Housing Providers due to the likelihood that using this approach to identify and exclude evicted SH clients will not meet Cabinet's fair and consistent test.

Wider prioritisation for households with children on the Social Housing register can be considered through other work underway

44 The Ministry of Housing and Urban Development is undertaking work to reset programmes that provide access to housing and support, including transitional housing and other programmes such as Housing First and Sustaining Tenancies. Changes to policy settings for transitional housing will be a focus of that work as it seeks to improve the targeting and effectiveness of programmes, as well as value for money. Wider prioritisation for households with children the SH register may be considered through this work, and the review of the SH System work.

Appendix

45 Appendix One: Regional Breakdown of Households with Children in Emergency Housing (May 23 – April 25)

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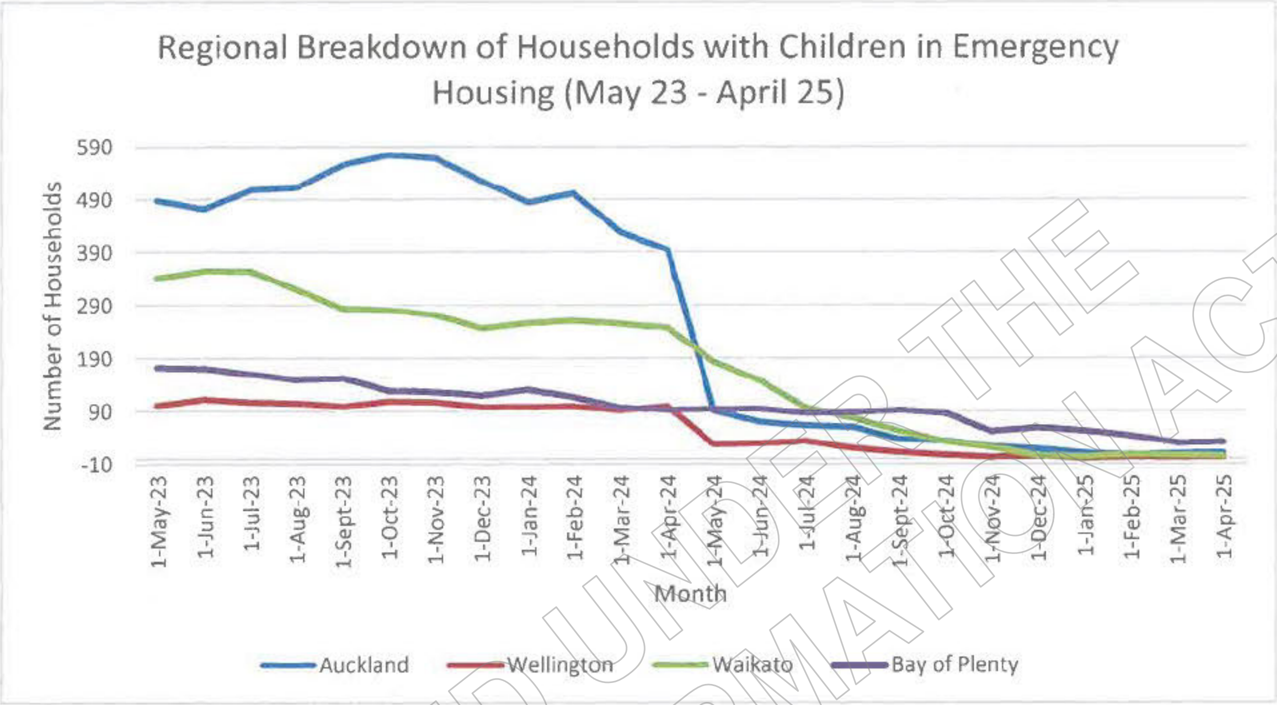
Author: s9(2)(a) [redacted], Policy Analyst, Housing Policy

Responsible manager: Alex McKenzie, Housing Policy Manager, Housing Employment and Labour Market Policy

File ref: REP/25/5/369

Appendix One: Regional Breakdown of Households with Children in Emergency Housing (May 2023 – April 2025)



- There has been a significant reduction of households with children in regions that had a high number of households with children in emergency housing (EH).
- The number of households with children in Bay of Plenty have remained relatively high post-implementation of Priority One. Many of these households with children are likely to be in contracted EH. Given that contracted EH in Rotorua is intended solely for households with children, this could explain the relatively high numbers of households with children remaining in EH.
- There has already been considerable progress in the past 12 months in significantly reducing the number of households with children in contracted emergency housing and this decrease continues, as illustrated by the visual above.
- The Ministry of Housing and Urban Development continues to progress its staged exit of contracted EH and will exit all remaining motels by 15 December 2025. New referrals into contracted EH by will stop by 15 June 2025.

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From: Chontelle Silvester
To: Brent Burton
Cc: Chris Yee; Janet Green; Ed Ablett-Hampson
Subject: OAG - Supporting people in immediate housing need - MSD update and request for further information
Date: Wednesday, 17 December 2025 8:31:16 am
Attachments: image001.png
Update on Priority One fast track for emergency housing clients after twelve months.pdf
Te Rito.pdf
social-outcomes-model-2023-housing-system-insights-report.pdf
EH Appointments - 24HR expectation.pdf
Analysis of client experience heartbeat service response tickets relating to emergency housing decline decisions 1 Oct 2024.docx
MSD Response to OAG copy (002).docx

IN-CONFIDENCE

Hi Brent,

Hope all is well over there and you are both starting to wind down for Christmas!

Please find attached our response to the additional questions request for information.

Any questions at all please reach out.

Kind regards

Chontelle Silvester, Housing Director
s9(2)(a)
Ministry of Social Development, PO Box 1556, Wellington 6140
MSD purpose: We help New Zealanders to be safe, strong and independent
Manaaki tangata, manaaki whānau

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MSD Response to OAG - Supporting people in immediate housing need - Request for further information

1. What analysis of the Priority One initiative has been done to establish the degree of impact upon the reduction of applications for emergency housing over the last twelve months, and the other reasons for reducing applications.

   Response: n April, MSD together with the Ministry for Housing and Urban Development prepared a report updating Ministers on the functioning of the Priority One Social Housing Fast-Track. That report noted the reduction in applications for emergency housing subsequent to the implementation of Priority One but did not provide analysis of the reasons for that decline. One of the limitations implicit when analysing administrative data (e.g. EHG applications) is that it tells us very little about the reasons people may not seek assistance. However, it is reasonable to assume the more than 1,000 households moved from EH to social housing placed via the Priority One Fast-Track (whom might otherwise have remained in emergency housing) will have contributed significantly to the reduction in EH applications and grants. We attach the Priority One update paper for your information at Annex 1.

2. How many applications over the last 12 months to June 2025 are from those applying as newly presenting in need vs. those reapplying (already in support)? How many new applicants are getting accepted / declined for the emergency housing grant?

   Response: We don't currently have data to show EHGs for those newly presenting in need versus those reapplying, this would require additional work from our data teams.

   However, the below analysis completed recently provides a snapshot of how clients declined emergency housing were assisted in other ways. Note: where a transitional housing property is available and suitable for the client, and the client is eligible, they will be referred to that property and the emergency housing grant will result in a decline.

   Quarter ending September 2025, there were 2,374 declines to emergency housing.
   - Of those, approximately 40.7% were referred to Transitional Housing.
   - 51.1% were supported through either AS, HSP or another hardship grant.

   ** Please note, clients can receive more than one of these supports and can be across multiple columns.*

3. What does MSD hear about people not applying because they don't foresee it as worthwhile? How many of those people could still be in immediate housing need and eligible for support?

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Response: The Ministry is anecdotally aware that some people may be hesitant to engage with MSD but is not able to comment on the factors that lead individuals to seek support or not, or to estimate the size of the population that may have an unmet housing need but has chosen not to seek help. We encourage people in immediate housing need to contact MSD and would assure them that all applications for emergency housing are judged on their merits in accordance with the policy settings.

4. We understand that eligibility for emergency housing grants are assessed in-person by a case manager. Can the assessment be done via the Contact Centre e.g. urgently on Saturday when Service Centres are not open? Do any Contact Centre staff have authority to provide emergency housing grants?

   Response: Generally, the Ministry assesses eligibility for emergency housing at a face-to-face appointment during office hours. This helps to ensure staff understand the person (or household's) needs and, where no alternative accommodation is available, grant emergency housing that is adequate to their needs. MSD Contact Centres are able to grant emergency housing over the phone after-hours (4:30-6:00pm weekdays and 9:00-1:00 Saturdays) where an immediate need can be established. Generally, those grants would be made for a short period (1-3 days), until such a time as a face-to-face appointment can be arranged and are made in consultation with the relevant Manager Regional Housing.

5. Case Manager appointment expectation of arrangements for those who could need emergency housing made within 24 hours. Data gathered / analysis of this expectation / standard being met?

   Response: The Effectiveness Report generated weekly tracks Emergency Housing appointments booked through our appointment booking system Q-Manager under the appointment type "Emergency Housing."

   This includes both initial assessments (with a service level agreement of 24 hours) and subsequent appointments (which may cover clients in ongoing EH stays for up to 21 days). These figures give us insight into the formal appointment system but do not fully capture the broader picture, particularly the responsiveness achieved through walk-ins.

   Walk-in appointments continue to play a key role in ensuring clients in immediate need of Emergency Housing can be assessed on the same day. These appointments are used when no standard appointment slots are available to meet the urgency of a client's request. Given the unpredictable and urgent nature of EH requests, all regions routinely rely on walk-ins to ensure no client is turned away without an opportunity for assessment.

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The use of walk-in appointments across all regions reflects our commitment to client-centric service, particularly in high-stakes areas like Emergency Housing.

6. We have heard views that 1 - 1.5-hour case manager appointment is not long enough to build trust, share information needed, assess for risk, factor in people's views, understand enough to select the most suitable provider, process the referral? What is MSD's view, including for applicants who are new to MSD or have not built-up relationships with staff?

   Response: Initial emergency housing appointments are intended to determine a person's eligibility for assistance against established criteria. The Ministry considers it is possible to assess core eligibility within a 1-1.5-hour appointment. The Ministry, however, agrees that understanding need and developing appropriate responses takes time and trust, which is why the ISCM role was created, to provide a single point of contact with the Ministry.

   The Ministry's frontline staff balance a range of priorities, and while spending longer on initial EH appointments may improve the experience for some clients, this may result in delays to clients with other urgent needs being seen by staff.

7. (From the previous tranche of evidence in September 2025) Heartbeat feedback on Emergency Housing: Low score Heartbeat responses were reviewed to understand the impact of policy changes on street homelessness. Initial findings were shared with the Housing portfolio to inform service adjustments and regional support strategies. Can you please provide more detail on what these findings were and what changes or improvements are being considered or were implemented?

   Response: Please find attached the analysis the client experience team completed for the housing team, however due to the low number of responses attributed to housing, they were unable to identify any trends or areas for improvement.

8. How does MSD (either regionally or nationally) monitor to ensure that the expectations it sets for staff to make clear to people the reasons for decisions (particularly decisions to decline) and the process methods (e.g. letters) are effective in ensuring people clearly understand those reasons?

   Response: The Ministry has processes in place to ensure staff understand what is expected of them, including training, ongoing support from their managers, and access to guidance documents.

   Clients are informed verbally and receive written confirmation of expectations, and staff work hard to ensure these are understood. However,

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we acknowledge that understanding can be subjective, support staff and advocates are an option to clients and one that would assist clients in these situations.

9. Please provide details of cultural capability training and support that is available to MSD Service Centre staff dealing directly with people in need and any relevant commentary

   Response: The Ministry provides a range of training designed to help staff demonstrate inclusive practice and cultural awareness. This includes guidance on engaging respectfully with diverse communities and perspectives, recognising unconscious bias, and understanding Te Tiriti o Waitangi. Attached is an overview of the Te Rito training module which is an online programme for staff.

10. Please provide updated summaries and commentary on analysis of the short and longer-term <u>housing outcomes</u> experienced by people once they leave Transitional and Emergency Housing supports

    Response: Below is the most recent analysis completed on where clients go once exiting which indicates their housing outcomes. This was completed

    Of the 276 households who ended a stay in emergency housing in June 2025:

    - 63 (23 percent) had attained a social housing tenancy, with six (three percent) through community housing providers and 57 (21 percent) through Kainga Ora
    - 63 (23 percent) had accessed Accommodation Supplement (this includes clients with mortgage, private rental or board costs)
    - 93 (33 percent) had been placed in Transitional Housing
    - 57 (20 percent) did not access any of these housing-related services.

11. What analysis or research have MHUD and/or MSD done or are aware of to measure and understand the <u>economic costs</u> of people in immediate housing need (e.g. economic costs such as current and future impacts of housing need on rates of publicly funded support, rates of employment, education, rates of criminal offending / reoffending, effects on health)? If so, please provide commentary and the most relevant supporting evidence.

    Response: Attached is a copy of a report the ministry released in 2023 on future outcomes estimated by the Social Outcomes Model, including social and emergency housing use, benefit use, employment earnings and other income, and a range of other social outcomes.

Attached documentation:

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1. Update on Priority One fast track for emergency housing clients after twelve months

2. Te Rito Training Module

3. Analysis of client experience heartbeat service response tickets

4. Social Outcomes Model — Social Housing system insights

5. EH Appointments within 24hrs

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SAS® Visual Analytics - Explore and Visualize

Effectiveness Report

Region/Site Filters

< WBE 3 | WBE 4 | ECE | Caseload 1 | Caseload 2 | Caseload 3 | Caseload 4 | ECM-R | ACM | ECME & ECMRE | PBCME | PCE | CR - CMS/GCME | CR - Appointments 1 | CR - Appointments 2 | Hou

Housing

Housing - Appointments

Week Ending ▲	12Dec2025										
Region/Site ▲	EH Appts. Booked	EH Appts. Booked Change	% EH Appts. Available < 24H	% Change EH Appts. Available < 24H	% EH Face to Face Appt. < 5WD	% Change EH Face to Face Appt. < 5WD	-	Housing Asmt. Appts. Booked	Housing Asmt. Appts. Booked Change	% Housing Asmt. Appts. Available	% Change Housing Asmt. Appts. Available < 15D
Northland	43	-13	60%	-6%	62%	-26%		55	-9	100%	0%
Auckland North	64	6	72%	30%	80%	-3%		135	12	98%	1%
Auckland Central	49	5	20%	4%	78%	-13%		133	4	100%	0%
Auckland South	114	-9	33%	-3%	95%	10%		207	3	100%	0%
Waikato	120	-13	26%	3%	85%	-2%		71	-4	94%	1%
Taranaki	28	-16	54%	8%	63%	16%		38	1	97%	-3%
Bay of Plenty	62	-19	23%	-1%	69%	-4%		78	-7	21%	9%
East Coast	50	8	56%	-8%	77%	-3%		58	1	100%	0%
Central	23	3	70%	20%	83%	-17%		45	-5	100%	0%
Wellington	21	-4	14%	-38%	85%	-7%		92	-25	30%	-3%
Nelson	36	-10	6%	-18%	92%	-5%		47	14	100%	0%
Canterbury	67	-1	25%	0%	83%	5%		122	4	100%	0%
Southern	10	3	60%	60%	100%	33%		33	-10	100%	0%
Virtual Services	0	0	.	.	.	.		1	-4	100%	40%
Other	0	0	.	.	24%	-10%		0	0	.	.
Total	687	-60	37%	2%	76%	-2%		1,115	-25	88%	2%

Green means a positive change compared to the previous week.
Red means a negative change compared to the previous week.

EH = Emergency Housing Special Needs Grant (EH SNG)
Appts. = Appointments
Asmt. = Assessment
HB = Housing Broker

5WD = 5 Working Days
15D = 15 Days
24H = 24 Hours

Emergency Housing Total Submitted and Emergency Housing Appointments Booked are for SNGs.

Filters selected <No Value>

Report last upda

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Te Rito | Enhancing Bicultural Awareness

Contents

Link Key

Internal Links
External Links
myLearning Links

Introduction

Explore Aotearoa New Zealand history, and the beauty of Te Ao Māori with Te Rito!

Te Rito, a fundamental online programme, that educates us on the history of Aotearoa New Zealand and helping us weave kaupapa Māori into our mahi.
Embrace this opportunity for personal and professional growth!

Learning Outcomes

Dive into 14 engaging modules giving you an introduction to Tikanga, Tiriti o Waitangi, Whakapapa, and Te Reo. Learn at your pace, with each module taking just 15 minutes. No deadlines.

After completing all fourteen modules you will be able to:

- Describe key points in the history of Aotearoa New Zealand's colonisation
- Build effective relationships with iwi Māori
- Use elements of te reo Māori (the Māori language) in everyday life
- Conduct yourself with confidence in Te Ao Māori both on the marae and in the workplace

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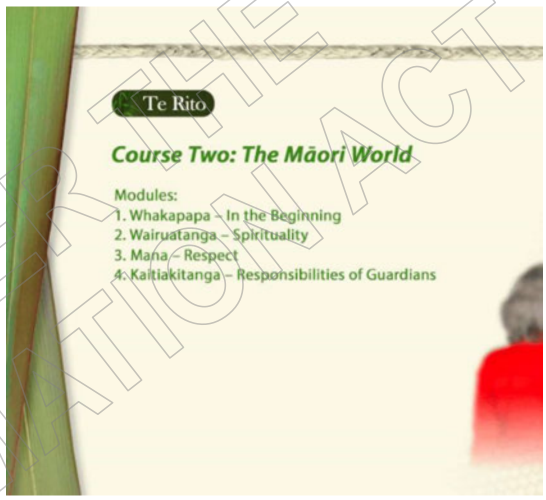
Access the programme here: Te Rito | Enhancing Bicultural Awareness

The Programme

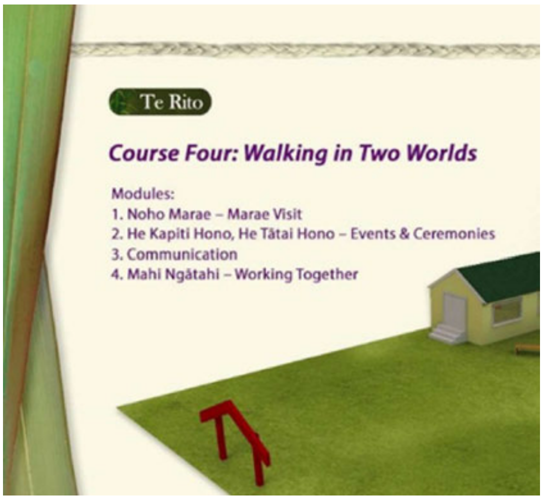
Are you ready? Click on any of the images below to open the programme in your myLearning

Course One: Introduction to Te Rito



Course Two: The Māori W

Course Three: Back to the Future



Course Four: Walking in Two

How does it work?

You choose which modules resonate with you. You can decide which ones you would like to complete and with no completion deadline, there's no pressure to rush through. Each module, approximately 15 minutes, is filled with interactive activities and quizzes to make

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learning fun and memorable. You also have the option to revisit the modules at anytime for a refresher.

Course One | Introduction to Te Rito
Culture
He Iwi Tahi Tātou - Are We One People?

Course Two | The Māori World
Whakapapa: In The Beginning module
Wairuatanga: Spirituality module
Mana
Kaitiakitanga

Course Three | Back to the Future
Perspectives on the Past
Te Tiriti & The Treaty module
Debating the Treaty
New Zealand Stories

Course Four | Walking in Two Worlds
Noho Marae: Marae Visit
He Kapiti Hono, He Tātai Hono: Events and Ceremonies
Communication
Mahi Ngātahi - Working Together

Te Rito Course Overview.pdf

Te Rito Course Overview – for more information on each module

Acknowledgements

This learning programme was developed by Kia Māia:
[Kia Maia | Interactive Resources for Bicultural Competency]

Te Rito Dashboard

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ANALYSIS OF CLIENT EXPERIENCE HEARTBEAT SERVICE RESPONSE TICKETS RELATING TO EMERGENCY HOUSING DECLINE DECISIONS

1 October 2024

1. CONTEXT:

The Housing portfolio is looking for any relevant information from client experience responses to the Heartbeat survey, which provide context on changes that may be occurring in street homelessness following recent changes to access to Emergency Housing. In particular:

- Is there an increase of street homeless reflected in low score Heartbeat responses, particularly since recent housing changes?
- Are there examples of EH housing decline, where the appropriate actions have not been taken?
- Is there a higher incidence of homelessness – or related issues reflected in the responses from Auckland – North, Wellington, or Canterbury? Are there any unique issues in these regions in relation to declined EH?

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2. HEARTBEAT SURVEY DATA LIMITATIONS:

The current survey questions do not directly ask about Housing or homelessness, and there is currently no meta-data to indicate a survey response is about a housing issue.

Heartbeat survey invitations are sent to a current email address. It is likely that access to an email address, or email data may be lower for homeless clients, and that Heartbeat responses under-represent the volume, or breadth of issues experienced by this client segment.

Clients do make comments in the narrative questions regarding housing issues. The Service Response Specialists review all low experience scores (0-4 on a 0-10 scale), or responses with identified “Key words”, and identify a primary root cause for the low score based on the client’s response.

The following findings are drawn from low score responses, where “Housing” has been identified as a primary root cause, and any relevant ticket data added by the Service Response Specialist when assessing whether BAU processes have been followed.

“Housing” is not one of the top five root causes of low score responses, and overall there is a low volume. This means the data is unlikely to support meaningful trend analysis around “Housing issues,” but it can provide client and MSD process context alongside other operational data.

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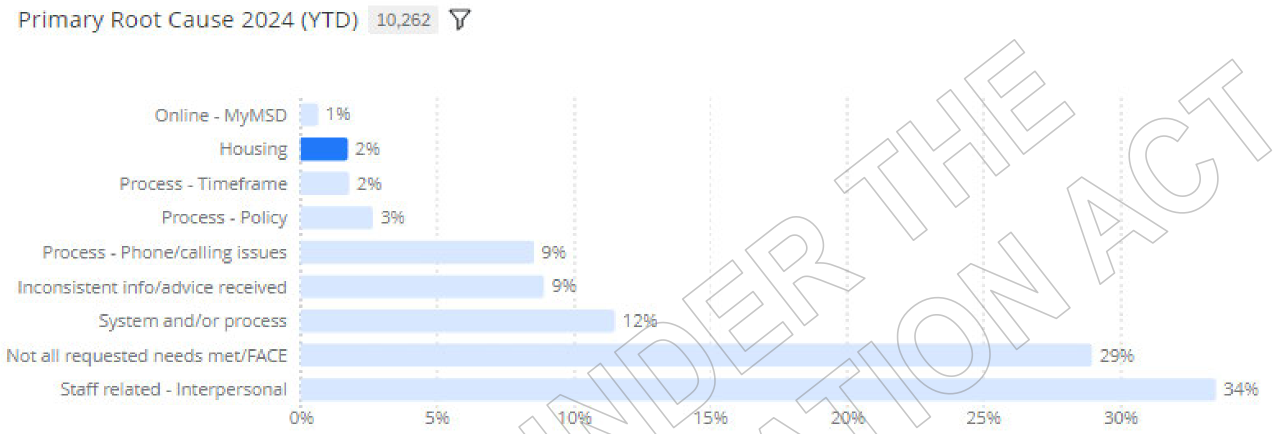
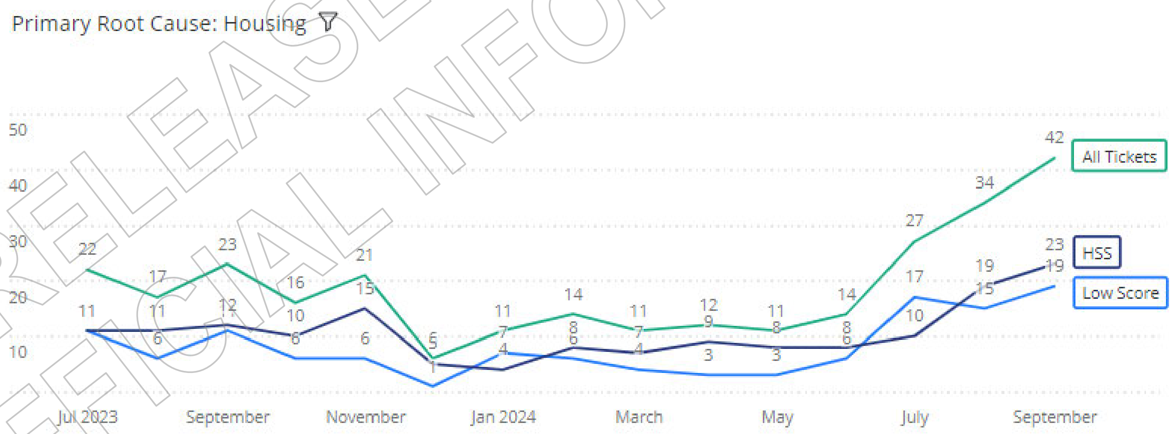
3. INITIAL FINDINGS:

- **"Housing" is only identified as a primary root cause of a low experience score in 2% of responses** (YTD 2024). This includes all housing related matters, including "street homelessness" which is only part of this category.



- **There has been an increase in the volume of "Housing" low score and HSS tickets from July-Sept 2024**. This reflects that more clients are commenting about housing related issues, which may include homelessness.



- **Service Response data shows no evidence of inappropriate Emergency housing declines**
  - Of the 176 responses in 2024, **only 7** required a follow up directly with the client by Service Response to determine that their needs were met.
  - **Only one response related to the decline of emergency housing**, and frontline staff had followed business processes appropriately. There were 5 responses around Housing Support products, and one on transition into a permanent rental.

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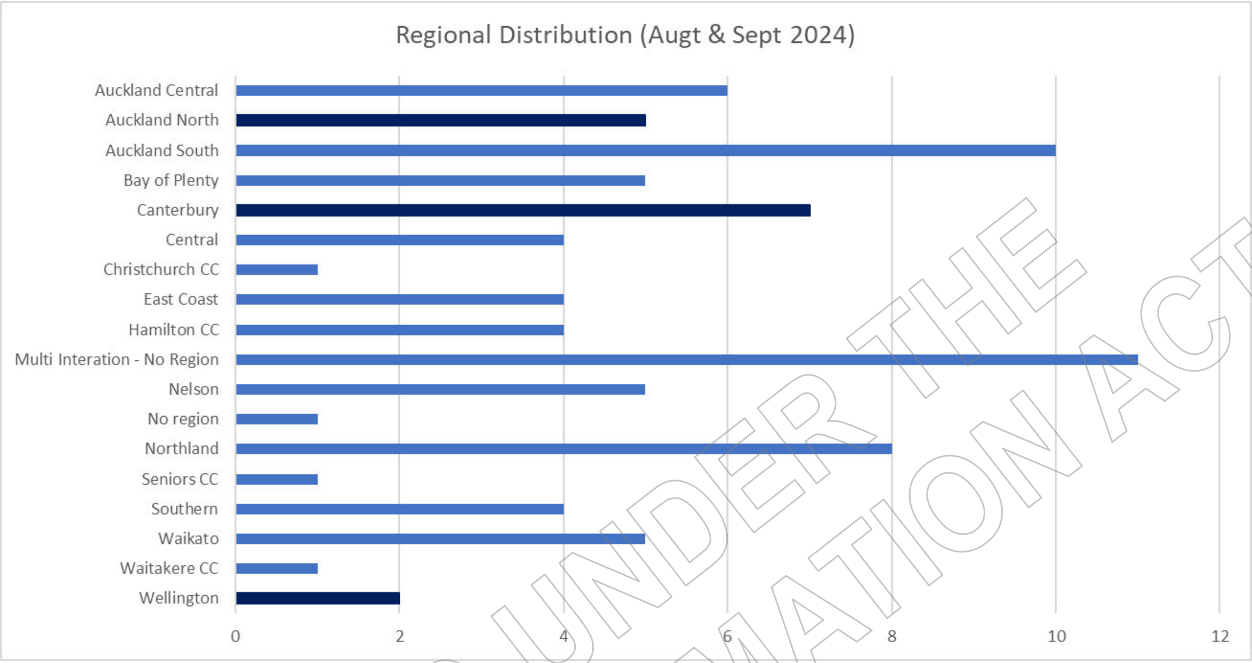
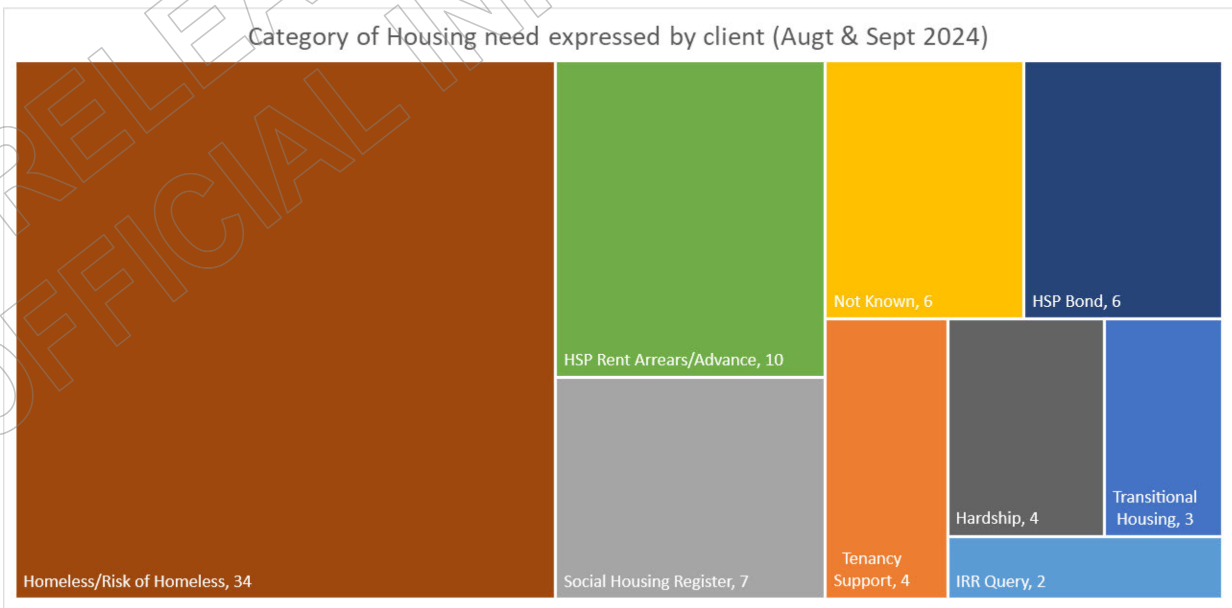
- **There is no evidence that Auckland – North, Wellington, or Canterbury has a higher incidence of Low score & HSS tickets relating to housing.**



- **Being homeless, or imminently homelessness accounts for around 45% of Low score of HSS Heartbeat responses where Housing is the primary root cause.**
  - This is based on a manual sample for August/Sept 2024.



SUMMARY:

Overall, there is a low volume of Heartbeat Client Survey responses where the primary reason for the poor experience is “Housing.” There is an increase in the volume in the past three months, but given the range of housing needs, and low volumes overall, there is insufficient data at this stage to

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determine an increasing trend of inappropriate declines of Emergency Housing. The manual review of client responses where the Service Response team has contacted the client and reviewed relevant MSD records has not indicated any unique processing issues from a client's perspective at this stage.

Prepare by: Client Experience Team
Contact: Craig Stevenson or Lia Ineleo-Lines

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Purpose

This is the second report providing results from the 2023 Social Outcomes Model (SOM). This report provides information on the social housing system, offering insight into how its dynamics are changing over time. The focus is on estimated average future years in social housing, the affordability gap separating social housing clients from the private housing market, and the challenges that emergency housing clients have faced. These results are compared to the previous year's (2022 SOM) estimates and historical data to help explain what changes have occurred.

Key insights

The gap between market rent and what social housing tenants pay has widened, leading to lower exit rates from social housing and a long-term increase in estimated future years in social housing for tenants.

Average future years in social housing

- For people currently in social housing, estimated average future years in social housing has decreased slightly between the 2022 and 2023 SOM, from 17.0 to 16.7 years (down 0.3).
- Longer term, for people in social housing, the estimate of average future years in social housing has increased markedly from 12.4 years in 2017 to 16.7 years in 2023 (up 4.3 years or 34.7 percent).
- This longer-term increase reflects the declining rate at which people exit social housing, which fell from around 2.5 percent in 2017 to around 1.7 percent in 2021. Declining exit rates have been driven by the widening gap between market rent and what social housing tenants can afford. Future changes to tenancy reviews or social housing eligibility settings could impact exit rates, and therefore estimates of future time in social housing.

Social housing and the private rental market

- The gap between what social housing clients pay and market rent for a comparable property is large and projected to grow. Between September 2014 and September 2023, the average market rent for social housing increased substantially (from $325 to $494 per week). Over this period the proportion paid by Income Related Rent Subsidies increased from 64.1 percent to 69.7 percent. As a result, social housing clients appear to be further from being able to afford private rentals.
- Some social housing households are likely to be closer to the private rental market. Around seven percent of social housing households with a primary tenant under age 65 receive a subsidy less than $150 per week. This suggests that the right support could help them transition out of the social housing system. However, there may be other non-income factors that need to be considered.

Social housing and the Housing Register[1]

- The number of social houses has been growing over the last five years. However, increases in housing supply have not kept pace with demand.
- From June 2019 to June 2024, the number of social houses grew by 21.0 percent (from 69,500 to 84,100), while the number of households on the Housing Register increased by 86.2 percent (from 12,300 to 22,900 households).
- There has been a recent decrease in the Housing Register, with the number of households falling in 2024 (a 10.4 percent decrease from January to June 2024, with 2,700 fewer applicants).
- There is a mismatch between the needs of households on the Housing Register (50.6 percent require a one-bedroom dwelling) and properties managed by Kāinga Ora[2] (11.9 percent are one-bedroom, data as at June 2024). This makes it challenging to place people on the register into houses, and has contributed to growth in the number of people on the Register.

[1] The Housing Register contains applicants not currently in public housing who have been assessed as eligible and who are ready to be matched to a suitable property. It does not include those on the Transfer Register.

[2] Properties managed by Kāinga Ora make up the majority of social houses. This excludes Transitional Housing, and properties owned by Community Housing Providers.

Emergency housing

- Clients accessing Emergency Housing (EH) have frequently experienced challenges, and therefore have a mix of particularly acute needs and indicators of childhood disadvantage. For example, they are 8.7 times more likely to have received specialist mental health care or addiction services than the wider population. Young clients (aged under 30) in EH are likely to have intergenerational benefit history, with 78.7 percent having been supported while a teenager by a parent receiving a main benefit.
- The 2023 SOM uses data available to September 2023. Since then, the target to reduce the number of households in EH was announced. From December 2023 to June 2024 the number of households in EH has decreased by around 1,017 households (a 34 percent decrease).
- A range of policy and operational changes have been introduced to reduce the reliance on EH. These include:
  - **a.** changes to tighten the gateway into EH
  - **b.** establishment of the Priority One social housing fast-track for whānau with tamariki in EH for longer than 12-weeks
  - **c.** continuation of emergency housing support services to help people access and sustain suitable accommodation
  - **d.** continuing the supply of additional social housing and maximising its impact by focusing on target cohorts.

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The Social Outcomes Model (SOM)

The SOM uses the Integrated Data Infrastructure (IDI)[3] to model social outcomes for the entire New Zealand adult (aged 16+) population. It uses people's past interactions with the benefit and housing systems as well as health, justice, education, etc to understand and project how people move into, through, and out of the social housing system.[4] The future outcomes estimated by the SOM include social and emergency housing use, benefit use, employment earnings and other income, and a range of other social outcomes. Focusing on expected future outcomes, which have not yet happened, gives us the opportunity to intervene to improve people's lives.

[3] The IDI is a large research database curated by Stats NZ. It contains matched, de-identified data on people and households in New Zealand collected by Government agencies, Stats NZ surveys, and non-governmental organisations (NGOs).

[4] More detailed information about the data, assumptions, and methodology used for the 2023 SOM are available in the Social Outcomes Modelling 2023 Technical Report, available here: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/research/benefit-system/2023-social-outcomes-modelling-technical-report.pdf

Social housing

Social housing is for people who cannot afford to live in a private rental. It provides accommodation in properties owned or leased by Kāinga Ora and registered Community Housing Providers.

The SOM estimates how long different groups will spend in social housing in the future

The SOM estimates how many future years people will spend in social housing over the rest of their lives. This estimate is cumulative, allowing for people to move in and out of social housing. It is future focussed and does not include time spent in social housing in the past, although this is used when estimating a person's future status.

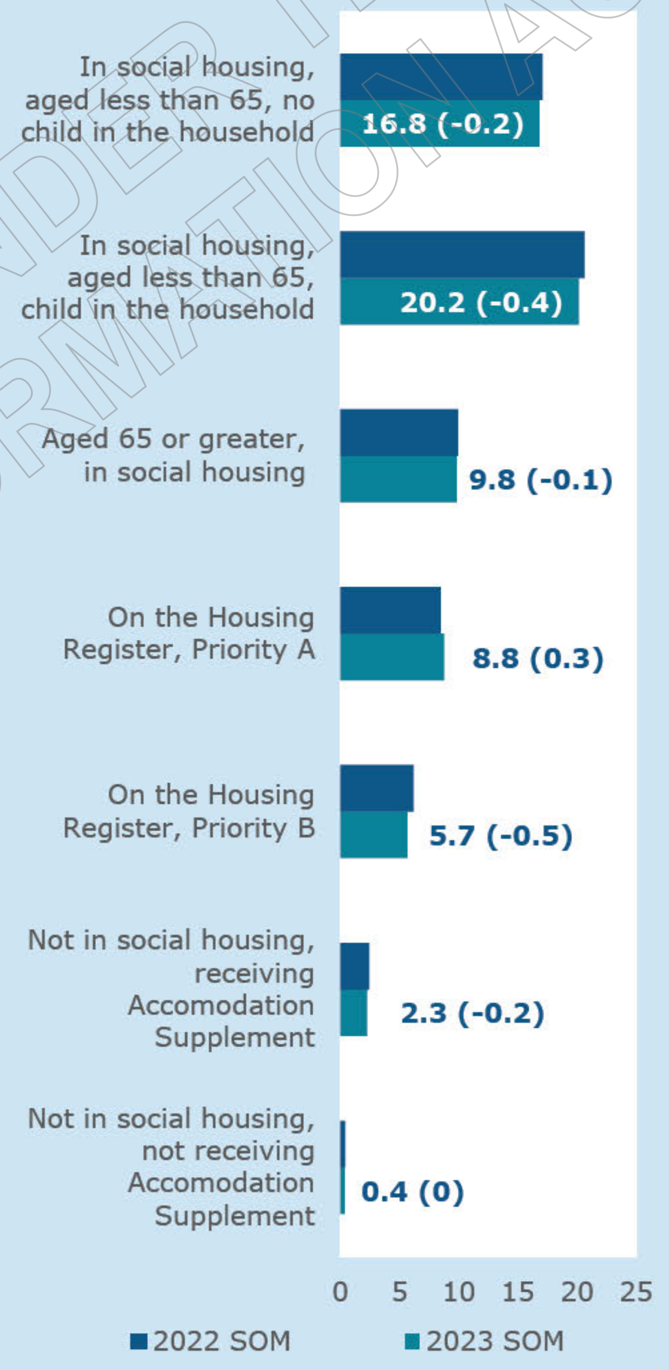
For people in social housing, their estimated average future years in social housing has decreased slightly between the 2022 and 2023 SOM

For people living in social housing, estimated average future years in social housing has fallen slightly for the second year in a row, from 17.0 years in the 2022 SOM to 16.7 years in the 2023 SOM.

Most groups have seen small decreases in their estimated average future years in social housing

Figure 1 shows the estimated average future years in social housing by housing segment. All groups have had a decrease in their average future years in social housing, except for those on the Housing Register in Priority Group A who have had a small increase.

Figure 1: Most groups have seen a small decrease in their estimated average future years in social housing.[5]



[5] The Housing Register excludes those on the transfer list.

Households with children are projected to spend more time in social housing than those without children

Households with children are projected to spend longer in social housing than those without children. The need to provide childcare can be a barrier to higher employment earnings and therefore limit the ability to afford a private rental. In addition, households with children aged 18 and below are currently exempt from tenancy reviews. However, both social housing households with and without children are expected to spend, on average, a significant time in social housing. This highlights that childcare requirements are not the only barrier, and that the barriers each household experiences can change over time.

While they also have high needs, individuals on the Housing Register[6] are projected to spend much less time in social housing than those currently in social housing due to wait times for placement

While also having high needs, those on the Housing Register are estimated to spend significantly less time in social housing than those currently in social housing. This is because there are significant wait times for placement, and not everyone on the Housing Register will be placed in a social house. This includes those whose circumstances improve meaning they no longer require social housing support. Those in Priority Group A are projected to spend, on average, 9.8 years in social housing. This is much lower than under 65s already in social housing, who are estimated to spend on average 16.8 (no children) or 20.2 (with children) years in social housing.

[6] Clients on the Housing Register are assessed as at risk (Priority A) or as having a serious housing need (Priority B).

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Social housing

The recent slight decrease in estimated average future years in social housing has been driven by a reduction in estimated future time on benefit

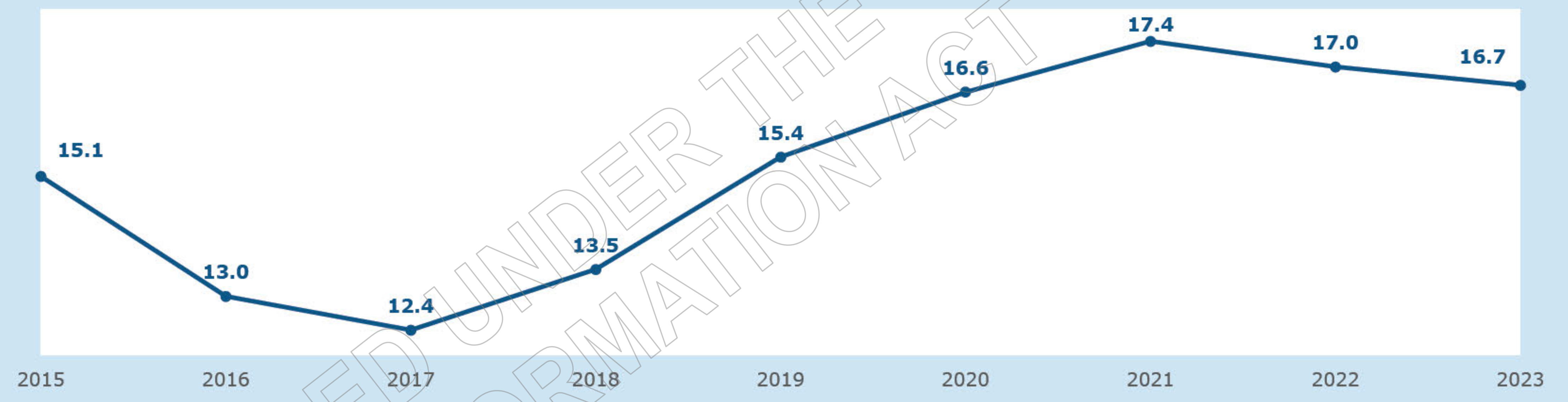
The recent decrease in estimated average future years in social housing has largely been driven by a slight decrease in estimated future time on a main benefit. As covered in the SOM Benefit System Insights Report,[7] estimated average future years on a main benefit has decreased slightly from 13.6 years in the 2022 SOM to 13.4 years in the 2023 SOM for main benefit clients. If people spend less time on a main benefit in the future, they are expected to spend more time in employment and therefore have more income. This means they are estimated to have less need for long-term housing support.

However, estimated average future years in social housing is still higher than most estimates since 2015

Estimated average future years in social housing, for people in social housing, decreased from 15.1 years in 2015, when estimates began, to 12.4 years in 2017. Estimates of average future years in social housing started increasing from 2018, growing to 17.4 years by 2021, largely driven by the decreasing affordability of market rents which made it harder for people to exit social housing into the private housing market.

[7] See msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/social-outcomes-modelling-2023.html

Figure 2: For people in social housing, estimated average future years in social housing has decreased since 2021, but is still significantly higher than estimates from 2015 to 2019.



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Changes in the tenancy review policy can impact estimates of average future years in social housing through exit rates

Changes in tenancy review policy can change the social housing exit rate,[8] which impacts estimates of average future years in social housing. The expansion of tenancy reviews to more social housing clients in 2014 and the broadened scope of these reviews in April 2016 both contributed to an increase in exit rates and therefore the decreases in estimated average future years in social housing between 2015 and 2017. Analysis at the time suggested that reviews were effective at identifying people who, given the right support, could then transition to private housing.[9]

In March 2018 the Government paused periodic tenancy reviews of social housing tenants for vulnerable groups, including people aged 65 or over, families with dependent children, and people with disabilities, to conduct a review of exemption criteria. Then in March 2020, in response to the COVID-19 lockdowns, the pause was extended to all tenancy reviews to avoid creating uncertainty for tenants. These changes contributed to a decrease in exit rates and consequently an increase in estimates of average future years in social housing over this period. Reviews restarted on 25 March 2024.

Future changes to tenancy reviews or social housing eligibility settings could impact exit rates, and therefore estimates of future time in socal housing.

[8] The exit rate is defined as the number of people aged 16+ who exited social housing divided by the Social housing population (aged 16+).

[9] See www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/annual-report-on-the-public-housing-system-as-at-30-june-2017.pdf

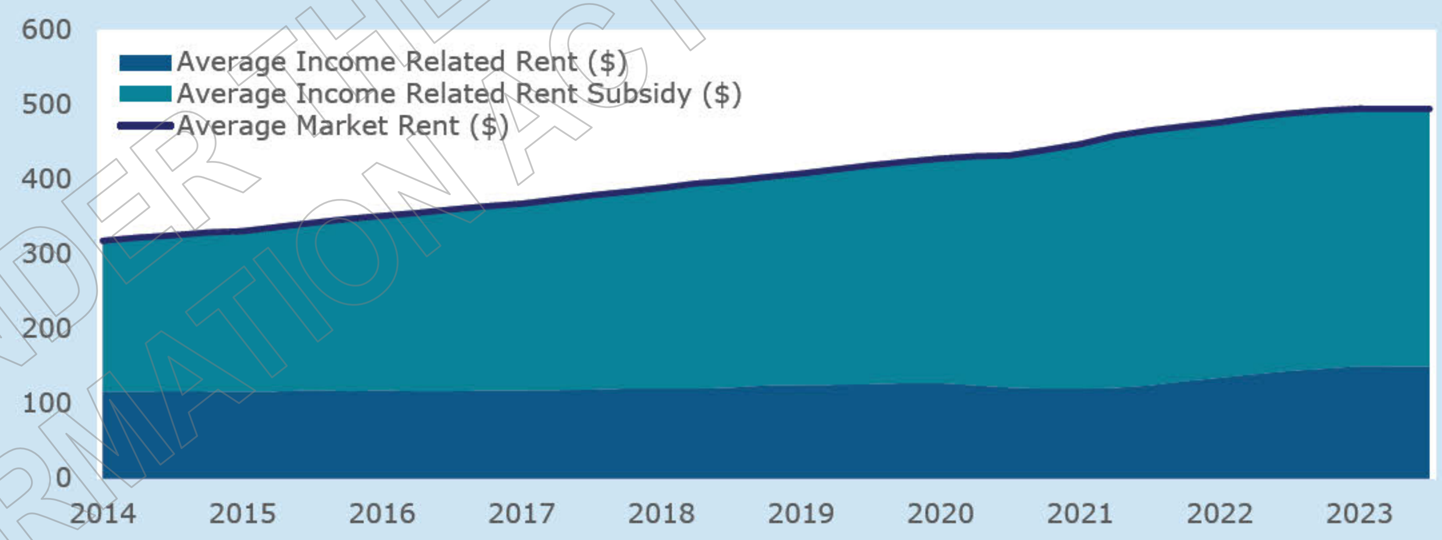
High market rents are making it harder for social housing tenants to exit to the rental market resulting in increases in long-term estimated future time in social housing

The long-term decreasing affordability of market rents has made it harder for people to exit social housing into the private housing market. This has resulted in declining exit rates. The SOM assumes that future exit rates will also continue to be lower than historical levels.

Social housing

Figure 3: Quarterly social housing exit rates have decreased significantly, generally, since at least 2008 – although they have increased slightly since 2020.

Figure 4: Average weekly market rent has steadily increased since 2014, while the average amount paid by households receiving IRRS has stayed relatively flat, meaning the average amount of IRRS has increased.



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The decline in exit rates has caused entry rates[10] to similarly decrease over this period. If existing tenancies take longer to be vacated, and the social housing supply does not increase quickly enough to counter this, then those on the Housing Register will spend more time waiting, and a lower proportion will enter social housing each quarter.

Decreasing housing affordability can be an even larger issue for older clients with accessibility needs or low fixed incomes

There has been an increase in the proportion of people in social housing who are aged 65+, increasing from 18.8 percent in 2017 to 21.5 percent in 2023. These clients are more likely to have greater accessibility needs as well as lower fixed incomes, so finding suitable alternative housing options in the private market can be difficult. This is in line with declining home ownership for people over 65.

[10] The entry rate is defined as the number of people aged 16+ who entered social housing divided by the New Zealand population (aged 16+).

The gap between what social housing clients pay and the equivalent market rents is large and projected to grow

In general, social housing tenants pay 25 percent of their income as rent for their social housing tenancy. This is known as Income Related Rent (IRR). The difference between what the tenant pays and market rent is paid by the Ministry of Housing and Urban Development (HUD), and is known as the Income Related Rent Subsidy (IRRS).

Figure 4 shows that the average weekly market rent for social housing has steadily been increasing, from $325 in September 2014 to $494 in September 2023. However, average IRR has been relatively stable over this period. This means that average weekly market rents have been steadily increasing while income has been relatively stable for social housing tenants. As a result, the proportion of market rent paid by the IRRS has increased significantly from 64.1 percent in September 2014 ($209) to a peak of 73.5 percent in June 2021 ($337). From June 2021 to September 2023 the proportion closed slightly to 69.7 percent, as a tight labour market meant that incomes grew faster than rents, but the gap was higher at $344 per week.

However, future increases in income are expected to be smaller and more in line with historical increases in incomes. Market rents are also assumed to increase in line with historical increases in rents. Therefore, the 2023 SOM projects the percentage of market rent paid by IRRS to increase again, increasing the gap between what social housing tenants can afford and the private market, as it did over the 2014 to 2019 period.

As a result, there is a significant gap between what households are paying for social housing compared to the cost of a private rental

As the gap between the market rent for a house and a social housing client's IRR grows, the cost of a private rental becomes increasingly unaffordable for the social housing client. This makes it less likely that clients can afford to exit social housing to the private market. There may also be a disincentive to enter employment or increase hours as a portion of this increase in income goes towards a higher IRR payment.

However, some tenants receive a subsidy of less than $150 per week, and could be closer to moving into the private market

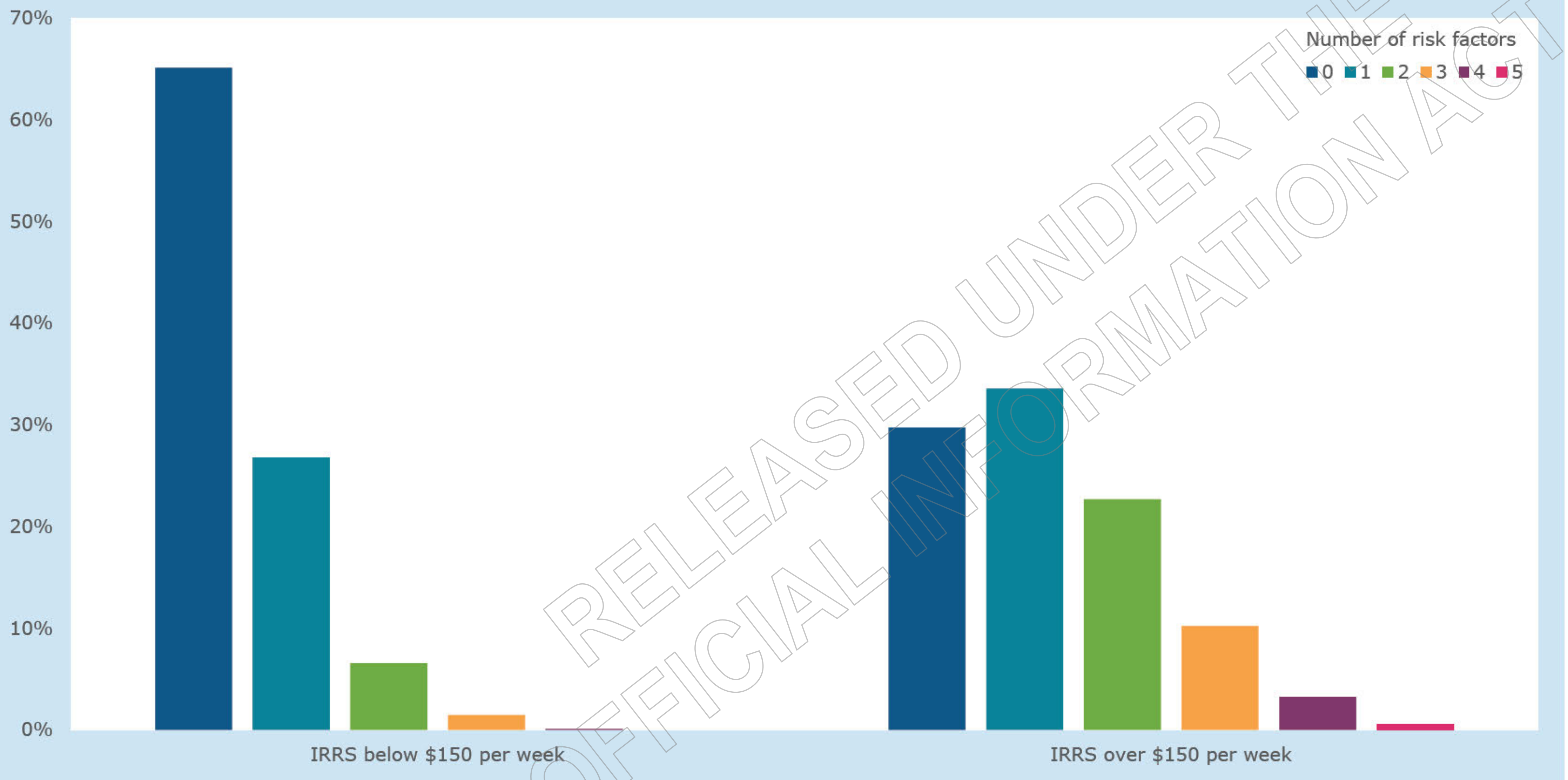
Among households where the primary tenant is under 65 years old, around 7 percent of tenants have an IRRS of less than $150 per week. From an income perspective, this group appear to be closer to being able to afford a private rental, however, they may face other housing barriers (e.g. lack of suitable housing). This group is roughly split evenly between households with a child/children, and those without children.

Supporting these clients to overcome their housing barriers (such as accessibility, improved employment income, etc.) may increase the likelihood that they can afford to move into the private housing market, creating space for other households on the Housing Register.

The **market rent** of social housing is set according to comparable rent charged for other properties of a similar type, size, and location.

Social housing

Figure 5: Individuals aged 16+ living in social housing with lower levels of received IRRS tend to have fewer risk factors.



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Households that receive an IRRS of more than $150 per week tend to have more risk factors than households that receive less than $150 per week

The SOM identifies several 'risk factors'[11] that indicate a person is more likely to need benefit or housing support.

Figure 5 shows that people further from the market (IRRS of more than $150 per week) tend to be impacted by more risk factors than those closer to the housing market. For example, 14.0 percent of those with IRRS more than $150 per week have three or more risk factors, compared to 1.5 percent for those with IRRS less than $150 per week. In contrast, 29.7 percent of those with IRRS more than $150 per week have none of these risk factors, compared to 65.1 percent of those with IRRS less than $150 per week.

[11] The five risk indicators are based on looking back at people's past experiences from the end of the September 2023 quarter. These risk indicators comprise whether a person: was proceeded against by Police in the previous three years; accessed publicly funded, community or inpatient, specialist mental health or addiction services in the previous three years; received a main benefit for at least half of the previous five years (or since turning 16); served a Correction's sentence (either a community or custodial) in the previous year; or was discharged after receiving acute hospital care in the previous three years. See the appendix for details on data quality and timing that may impact these factors.

The number of social houses has been increasing over the last five years, but not as fast as growth in the Housing Register

Although estimated future years in social housing decreased between the 2021 and the 2023 SOM, the number of households in social housing and on the Housing Register has been growing. In the five years between June 2019 and June 2024, the number of social houses increased by 21.0 percent[12] (from 69,500 to 84,100 houses).

While the number of households on the Housing Register has fallen by 10.4 percent over the first half of 2024 (from 25,600 to 22,900), over the past five years it has grown significantly. From June 2019 to June 2025, the number of households on the Housing Register increased by 86.2 percent[13] (from 12,300 to 22,900 households). This suggests that available social housing is not keeping up with demand.

[12] www.hud.govt.nz/stats-and-insights/the-government-housing-dashboard/public-homes

[13] www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/housing-register.html

The Housing Register[14]

The number of households on the Housing Register decreased during the first half of 2024, but is still significantly higher than the 2015 to 2019 period

The Housing Register has grown significantly since 2015, with the growth in the supply of social housing being outstripped by the increase in demand (see Figure 6). As described above, from 2017 to 2020 social housing exit rates fell significantly, freeing up fewer social houses. Social housing exit rates have subsequently increased slightly since 2020.

Register management, including new applications, 90-day notices, evictions, and non-essential placement activity was paused in March 2020 because of COVID-19, before resuming from 1 July 2020.

Active management of the Register through enhanced outbound calling was restarted in July 2020, ensuring information about a client's housing needs was up to date. The 2022 Budget provided MSD with additional funding of $11.725 million over four years to improve management of the Social Housing Register and to better support clients with a serious housing need.

As a result of the changes to register management, the Register dropped sharply during the second half of 2022 but then increased over 2023. Between January and June 2024, the number of households on the Register has fallen by 9.3 percent and the number of social housing tenancies has increased by 3.0 percent. The number of people housed from the Register has increased by 41.3 percent between January and June 2024.

[14] This does not include those on the Social Housing Transfer Register.

A mismatch between the requirements of households on the register and the social housing supply contributes to increased register numbers.

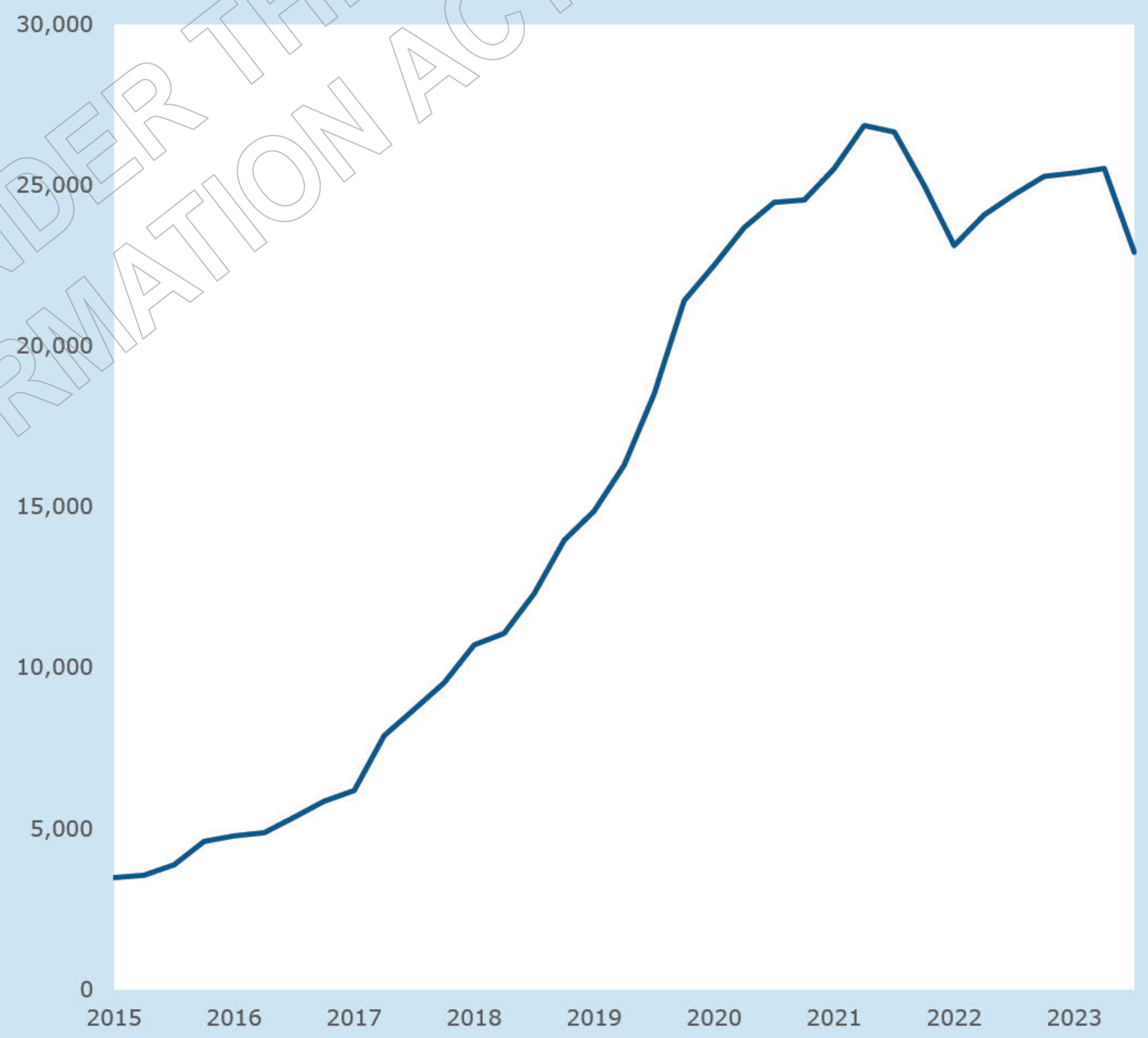
There is a mismatch between the requirements of those on the Register versus the social housing supply. In June 2024, 50.6 percent of households on the Register required a one-bedroom dwelling, but only 11.9 percent of the properties managed by Kāinga Ora were one-bedroom.[15] This mismatch between the social housing supply and the needs of households on the Register makes it challenging to place people into accommodation and further contributes to the increased number of households on the register.

The **Housing Register** is a list of all applicants eligible to be placed in social housing.[16] Applicants complete a social housing assessment which determines eligibility and priority for social housing against an agreed set of criteria, which is then used to assist the social housing provider in matching to the most appropriate property.

[15] Includes properties managed by Kāinga Ora, which make up the majority of social houses, but excludes Transitional Housing, and properties owned by Community Housing Providers. See https://kaingaora.govt.nz/assets/Publications/Managed-stock/Managed-Stock-National-Summary-June-2024.pdf

[16] For information on the eligibility criteria see www.workandincome.govt.nz/housing/find-a-house/who-can-get-public-housing.html

Figure 6: While the number of households on the Housing Register has decreased from the peak observed in March 2022, as of June 2024 it is still much higher than the 2015 to 2019 period.



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Emergency Housing

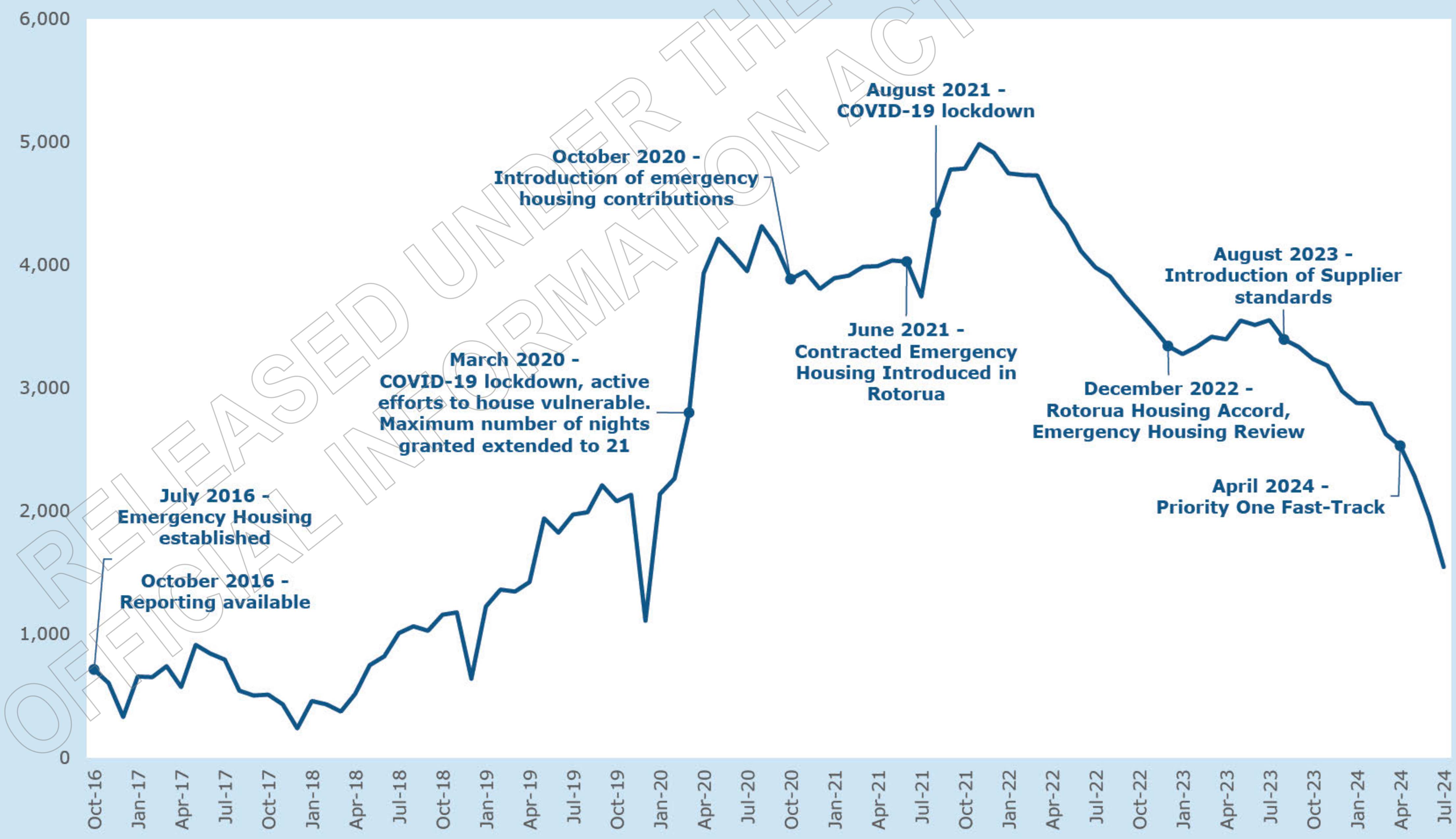
Emergency Housing (EH) is short-term accommodation (usually in motels) for individuals who have an urgent need because they are unable to remain in their usual place of residence. It is funded through EH Grants that clients apply for when they cannot access accommodation and we have explored all the other options available to them.

Since its inception in 2016, the number of households in Emergency Housing generally increased until peaking in November 2021

The number of households in EH generally increased from when the Emergency Housing Special Needs Grant (EH-SNG) commenced in 2016, and increased much faster during the COVID-19 lockdowns (see Figure 7).[17] After peaking at 4,983 in November 2021, the number of households in EH has, in general, been decreasing.

[17] From August 26th 2024, EH moved to a separate welfare programme, so EH-SNGs are now known as EH grants.

Figure 7: The number of households (at month end) receiving an Emergency Housing Special Needs Grant (EH-SNG) over time.



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Emergency Housing

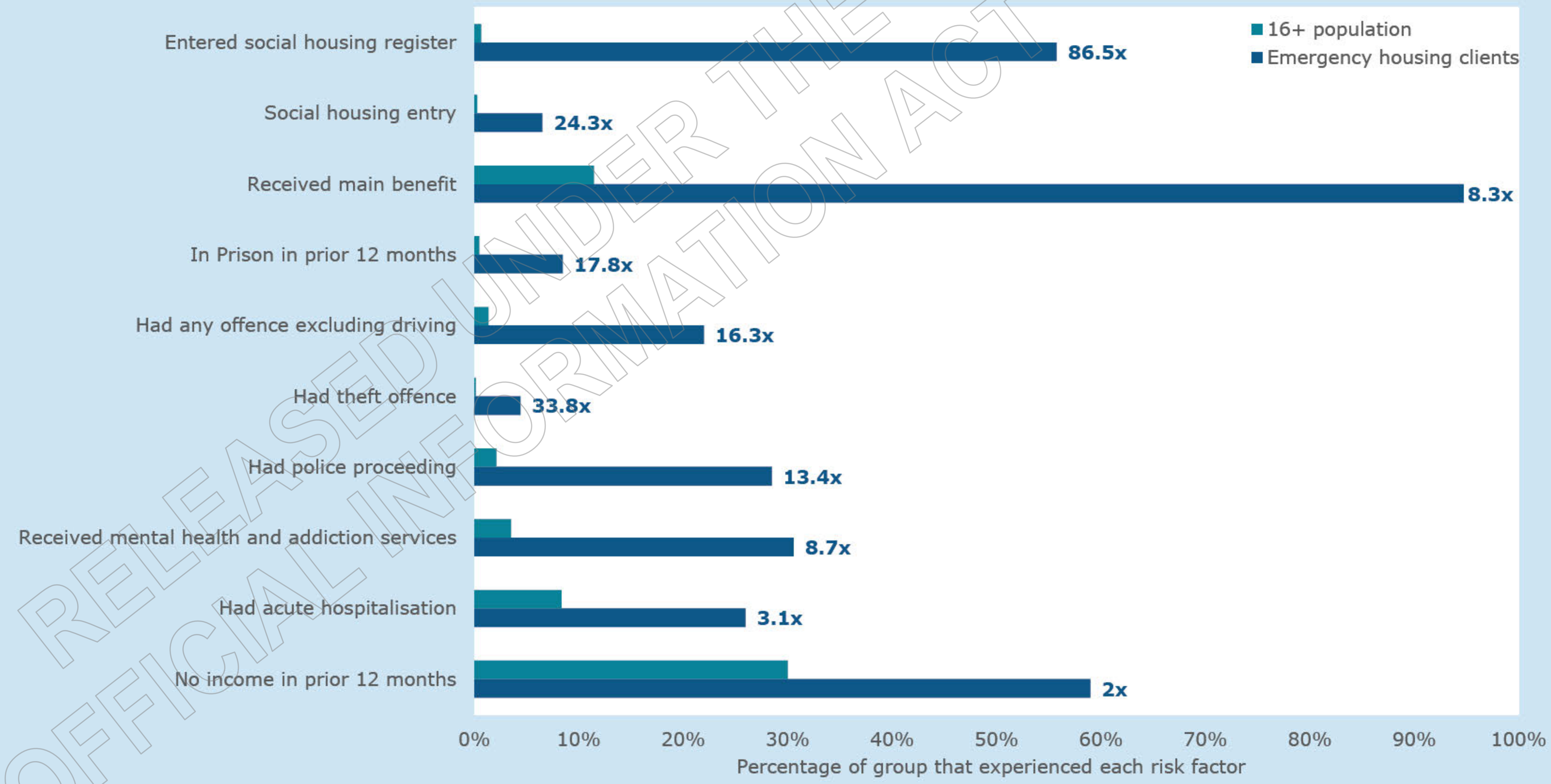
People accessing Emergency Housing are a group that can have particularly acute levels of need

People in EH face a combination of challenges including higher levels of need for support, low levels of income, and wider challenges around the affordability and availability of rental housing in the current market.

Relatively high proportions of people who access EH have experienced challenging situations over the past year including needing acute healthcare (26.0 percent), recieved mental health or addiction services (30.6 percent), had no income (apart from receiving a main benefit or NZ superannuation, 59.0 percent) or spending time in prison (8.4 percent). These are all significantly higher than the general adult population, see Figure 8.

Additionally, many people who are in EH have additional indicators of childhood disadvantage. Data on some childhood challenges is available for people aged 16–30, and shows high rates of additional risk factors such as having an Oranga Tamariki care and protection event (72.8 percent), a youth justice interaction (24.9 percent) or, while a teenager, their parent received a main benefit (78.7 percent).

Figure 8: Risk factors experienced by those in Emergency Housing compared to the wider population[18]



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[18] This analysis counts people once for each quarter in which they received an EH-SNG between September 2016 and December 2022.
Entered Social Housing Register: Entered Social Housing Register in the last 12 months. Entries are defined here as having the factor in one quarter and not having that factor in the prior quarter.
Social housing entry: Entered social housing in the last 12 months. Entries are defined here as having the factor in one quarter and not having that factor in the prior quarter.
Received main benefit: Had received main benefit in the last 12 months.
In prison: Had been in prison in the last 12 months. This is a Corrections managed sentence.
Had any offence excluding driving: Serving any community or custodial sentence (excluding driving-related offences) in the last 12 months. This is a Corrections managed sentence.
Had theft offence: Serving any community or custodial sentence for a theft-related offence in the last 12 months. This is a Corrections managed sentence.
Received mental health and addiction services: Received an inpatient or community specialist mental health service in the last 12 months.
Had police proceeding: Proceeded against by police for an offence in the last 12 months. Police proceeding include all types of police proceedings against a person, including proactively detected, acquisitive, interpersonal and personal sexual.
Had acute hospitalisation: Had at least one day in hospital from an acute hospitalisation event in the last 12 months.
No income in prior 12 months: Proportion of people who had no income in the last 12 months. Income includes wages and salaries, ACC weekly compensation, Paid Parental Leave, Student Allowance, sole trader/partnership/company income. It excludes benefits and NZ Superannuation.

Emergency Housing

MSD and HUD have made a number of policy and operational changes to reduce the number of people living in EH

The Government has set a target to reduce the number of households in EH by 75 percent over the next six years. This means a maximum of 800 households in EH by 2030.

Work is underway to reduce the number of people entering EH and to move those in EH into longer-term housing. We are already seeing numbers decreasing. The Government has a Delivery Plan to help achieve the target and to ensure exits from EH are sustained.

Changes that have already been introduced include:

- introducing the Priority One Fast Track policy to support households with children in EH for 12 weeks or more into social housing (April 2024)
- providing better guidance for MSD staff to help conversations and decision-making for EH entry (April 2024)
- MSD support services for people in EH have had funding continued through to 2026
- shifting to a more rules-based eligibility system to help MSD administer EH, and for people to understand what is expected of them while in EH (August 2024)
- expanding Housing Support Products[19] to cover accommodation arrangements not covered by the Residential Tenancies Act 1986 (August 2024).

[19] Housing Support Products are individual products that generally provide recoverable financial assistance for clients needing help to obtain and retain accommodation.

The number of households in EH has decreased since December 2023, with the downward trend accelerating from February 2024.

The number of households in EH decreased by 1,017 from 2,976 in December 2023 to 1,959 in June 2024. The downwards trend accelerated from February 2024, with over half of the six-month decrease occurring in May and June 2024.

Analysis completed by MSD in July 2024 shows that initial operational changes to enhance the verification process for entry into EH have reduced the entry rates, especially for families without children.[20] This decrease in households entering EH has driven the reduction in households in EH, with around 75 percent of the decrease since December 2023 attributable to fewer entries. Over the same period, exit rates have increased, contributing to the overall decrease of households in EH.

[20] See www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/emergency-housing-deep-dive-report-july-2024.html

Of those who left EH in April 2024, MSD was able to identify where around 78 percent of households went in the 60 days following leaving EH:

- 28 percent accessed the Accommodation Supplement (private accommodation)
- 27 percent entered Social Housing
- 21 percent entered Transitional Housing.[21]

MSD and HUD have additional work underway aimed at achieving the EH target.

[21] Transitional housing provides short-term housing for families who do not have anywhere to live and have an urgent need for a place to stay.

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Accommodation Supplement

The **Accommodation Supplement** (AS) is a weekly payment that assists people who are not in social housing with their rent, board or the cost of owning a home. A person does not have to be receiving a benefit to qualify for AS.

There has been a small reduction in estimated average future years in social housing for people currently receiving Accommodation Supplement (AS)

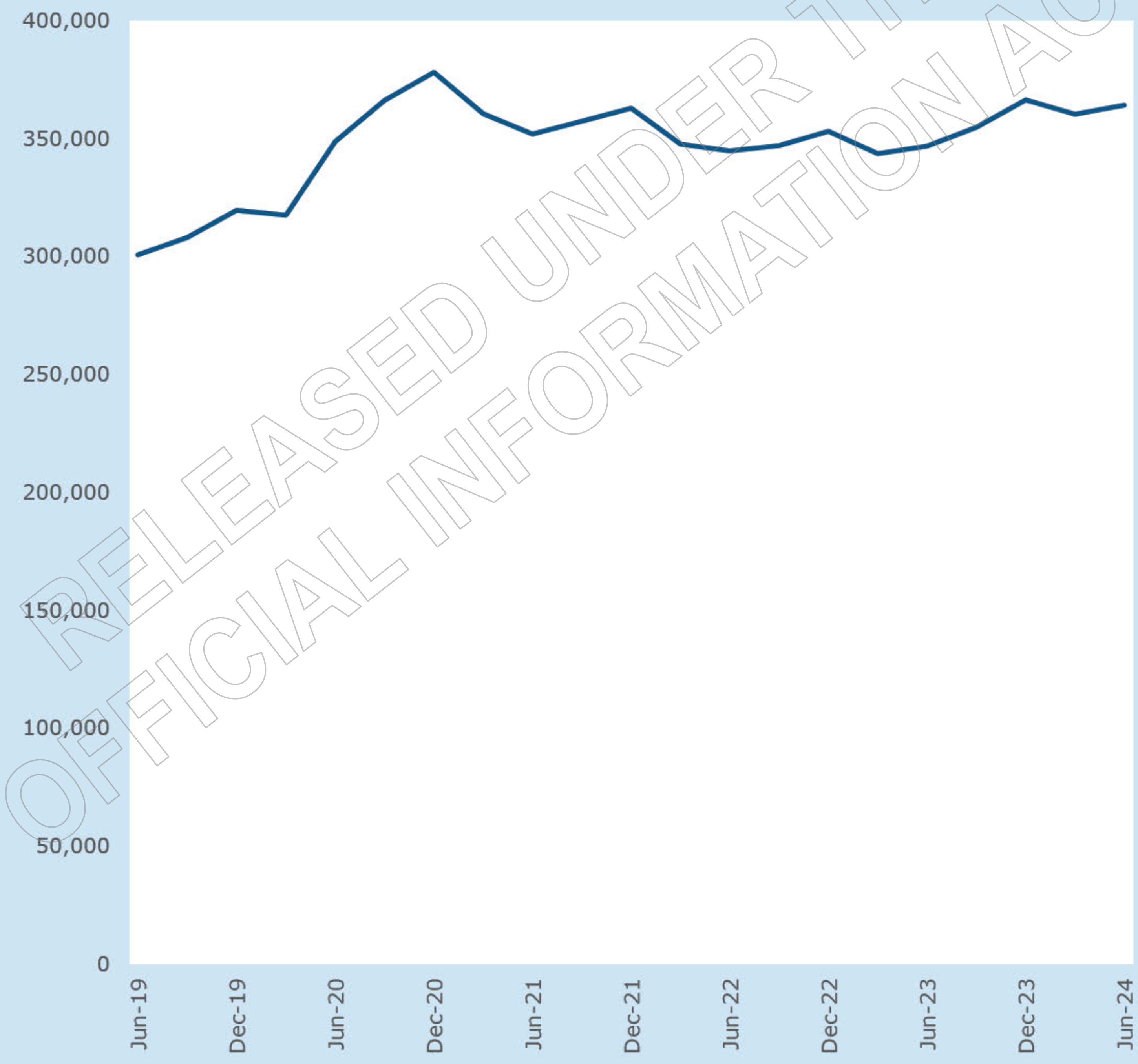
Estimated average future years in social housing has fallen slightly for those receiving AS, from 2.4 years in SOM 2022 to 2.3 years in SOM 2023.

The number of people receiving the accommodation supplement spiked during COVID-19, and is forecast to peak again in 2025

COVID-19 caused a sudden reduction in economic activity during lockdowns, and ongoing impacts due to border restrictions and general uncertainty. This resulted in increased uptake of benefits, including AS. Figure 9 shows the 5-year trend for AS recipients. The number of people receiving AS had been reasonably steady after increasing significantly during the COVID-19 period, peaking at 378,000 in December 2020. From December 2023 to June 2024 it has been relatively stable at around 360,000 people.

Both the SOM and Budget 2024 forecasts project that the number of people receiving AS will peak again in 2025 (at around 380,000 in Budget 2024 forecasts). This is due to projected increases in unemployment and the number of people receiving main benefits.

Figure 9: AS increased during COVID-19, but is now relatively stable.



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Appendix

Figure 10: Estimated average future years in social housing by high-level housing segment.[22]

Segment			Number of people 2022	Number of people 2023	Ave. future years in social housing 2022	Ave. future years in social housing 2023
On register	Priority A		31,200	28,200	8.4	8.7
	Priority B and Other		2,700	2,400	6.1	5.9
	Sub total		**33,900**	**30,600**	**8.3**	**8.5**
Social housing tenants, primary aged <65	Less close / IRRS > $150	Child in the household	52,000	53,400	20.7	20.3
		No child in the household	42,800	44,200	17.2	16.9
	Closer / IRRS < $150	Child in the household	3,200	3,600	17.4	17.3
		No child in the household	3,800	3,900	14.9	15.0
	Sub Total		**101,800**	**105,100**	**18.9**	**18.6**
Social housing tenants, primary aged >65	IRRS 65+		27,400	28,700	9.9	9.8
	Sub total		**27,400**	**28,700**	**9.9**	**9.8**
Rest of the population	Receiving AS		395,100	400,400	2.4	2.3
	Not receiving AS		3,613,000	3,560,200	0.4	0.4
	Sub total		**4,008,100**	**3,960,600**	**0.6**	**0.6**
Total			**4,171,200**	**4,125,000**	**1.2**	**1.1**

[22] Social housing tenant numbers from the SOM may not match official MSD statistics as they are based on analysis of past trends of administrative data in the IDI, as well as economic forecasts. The SOM also includes a wider age range (16–64 years old) compared to official MSD numbers, which are working age (18–64), and counts partners. All counts are rounded to the nearest hundred.

Technical information

This report has been prepared specifically for social development decision makers including MSD leadership, the Minister for Social Development and Employment, and housing Ministers.

This report was completed on September 24th 2024 based on data up to 30 September 2023 from the 2023 SOM. Recent data is also drawn upon to provide more up to date analysis.

We have checked the data we have used for reasonableness and consistency where possible. Our analysis is based on the data available. We do not take responsibility for the quality of the underlying IDI data used to prepare the 2023 SOM. Some IDI data has a significant lag and missing data has been imputed to 30 September 2023. For publicly funded specialist mental health or addiction services, we have imputed data from July 2021 to September 2023. For acute hospital discharges, we have imputed data from July 2022 to September 2023.

More detailed information about the data, assumptions, and methodology used for the 2023 SOM are available in the Social Outcomes Modelling 2023 Technical Report.[23]

This report complies with the requirements of the professional standards of the New Zealand Society of Actuaries.

[23] This report has also been published on MSD's website and is available here: msd.govt.nz/documents/about-msd-and-our-work/publications-resources/research/benefit-system/2023-social-outcomes-modelling-technical-report.pdf

IDI disclaimers

These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) which is carefully managed by Stats NZ. For more information about the IDI please visit www.stats.govt.nz/integrated-data/.

Access to the data used in this study was provided by Stats NZ under conditions designed to give effect to the security and confidentiality provisions of the Data and Statistics Act 2022. The results presented in this study are the work of the author, not Stats NZ or individual data suppliers.

The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data's ability to support Inland Revenue's core operational requirements.

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MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

30 January 2026 IN CONFIDENCE

Jason Hewett
Acting Assistant Auditor-General
Office of the Auditor General
100 Molesworth St
Wellington 6011

Tēnā koe Jason

Perfomance Audit: How agencies support people in immediate housing need

1. Thank you for your letter of 26 November 2025, covering your draft report on the performance audit about *how agencies support people in immediate housing need*. The Chief Executive has asked that I respond to your letter, providing the Ministry's (MSD) comments on your draft.
2. As you are aware, MSD together with Te Tūāpapa Kura Kāinga (MHUD), has been working hard over many years and under successive Governments to refine and strengthen the temporary housing system so it better meets the needs of the people it serves.
3. The Ministry welcomes the Auditor General's draft recommendations and acknowledges the important role an effective temporary housing system plays in supporting people to live well and achieve their potential.
4. The Ministry acknowledges that the draft report generally depicts the temporary housing system and MSD's role in an accurate manner. The Ministry's feedback is, therefore, largely limited to a small number of issues we consider may impact the balance and accuracy of the final report.
5. Before moving on to those points, I want to take the opportunity to confirm the Office's draft recommendations in respect of *improving pre-appointment information for clients* and staff guidance around *assessing peoples' contribution to their homelessness* are not contentious. Those actions are now being prioritised within the Ministry's normal service improvement processes.

Emergency Housing Declines

6. While not the subject of an explicit recommendation, I did want to offer the following comment on paragraph 4.26 concerning the review emergency housing declines.

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7. The Ministry currently requires all emergency housing declines involving families with dependent children be reviewed by the relevant regional director (MSD's operational leader in a give region) and endorsed by the Group General Manager Enablement to ensure compliance with policy settings before that decision is communicated to the client.

8. The Ministry will consider options to strengthen oversight of emergency housing declines. Care will need to be taken to ensure enhancements in this space do not impact the Ministry's ability to meet the urgent needs of other clients and that doing so does inadvertently prejudice the Ministry's formal review of decision process or our client's rights to natural justice.

Recommendation 2: MSD and MHUD work with providers to improve the information provided in a transitional housing referral

9. The Ministry is responsible for referring people with an immediate housing need to Transitional Housing (TH) Providers contracted by MHUD using the Transitional Housing Vacancy Management Tool (THVMT). MSD acknowledges there is work to be done to ensure client referrals are timely and appropriate, and we are committed to working collaboratively with MHUD and providers to that end.

10. We offer the following comments on specific recommendations in the interests of balance and accuracy.

Reinforcing expectations about carrying out good quality risk assessments and disclosing relevant risk information to providers as appropriate;

11. Paragraph 3.12 of the draft report states that MSD staff are *required* to undertake a risk assessment before referring people to transitional housing providers. The Ministry prioritises the well-being of the people we serve and those we work alongside in the community. The risk assessment, however, reflects an agreed approach to referrals (between MSD, MHUD and providers) rather than an explicit requirement in either primary or secondary legislation.

12. We also note, while MSD is the entry pathway for most people accessing transitional housing, providers may accept up to 20 percent of clients from other sources including, self-referrals. MSD is interested to learn how transitional housing providers manage the risks associated with that cohort in the absence of external risk assessments or recourse to government information sharing mechanisms in case there is an opportunity for learnings.

13. The Ministry considers that its current approach to transitional housing risk assessments appropriately balances the potential risk to providers' health and safety against individuals' reasonable right to privacy. Where the Ministry holds <u>relevant information</u> and has the person's permission or other legal justification, staff share that with providers. We would be concerned at any suggestion that it is the role of MSD case managers to make fine judgements about where public health and safety considerations may supersede an individual's right to privacy.

14. The Ministry is committed to working with MHUD, providers and potentially the Office of the Privacy Commissioner to better define risk information in the transitional housing context so that any enhancements in that regard meet both the letter and spirit of the Privacy Act.

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Improving the Vacancy Management Tool to facilitate the sharing of relevant information including about provider services and capabilities;

15. MSD is committed to enhancing the capability of the Transitional Housing Vacancy Management Tool (THVMT) to ensure staff are aware of the specialist support providers deliver when referring clients.

16. The Ministry is concerned though that any enhancements to the referral process should be matched by an investment in provider capability and capacity to support the increasingly complex needs of those who present to MSD with an immediate housing need.

17. While providers do have particular competencies and specialties, they are not currently incentivised to work with those with the highest and most complex needs, nor does the configuration of much transitional housing stock allow them to easily and safely do that.

18. Historically, the most common reasons for people being declined transitional housing are because providers consider they are unable to support their high mental health needs, complex physical health conditions, drug and alcohol addiction and / or history of criminal offending.

19. Until such a time as providers have the capability to consistently deliver a wider range of services, including psycho-social support, and are incentivised to work with people with high and complex needs, an enhanced referral tool (THVMT) is unlikely to significantly improve the rate of quality matches or the support received by clients.

Regularly analysing data on the volume and reasons for referrals being declined by providers to inform ongoing improvements.

20. As noted above, the Ministry accepts that improving our understanding of transitional housing referrals and declines will help to ensure services are effective. The Ministry is committed to supporting this work. I would simply note that all parties (MSD, MHUD and providers) will need to ensure that information is captured consistently and reported in a timely fashion to support effective and accurate analysis.

21. The comments above echo the Ministry's feedback to your team throughout the inquiry process. I trust they are helpful to you in finalising the report. Should you have any questions, please feel free to contact me directly.

22. Finally on behalf of the Ministry, I would like to acknowledge the diligent work and collaborative approach taken by Brent Burton and the OAG audit team. Their insights are appreciated and will be invaluable in helping us to further strengthen the temporary housing system for all New Zealanders.

Yours sincerely

Karen Hocking

Group General Manager, Enablement

Ministry of Social Development

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