MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

report

Date:	18 July 2014	**Security Level:**	IN CONFIDENCE
To:	Hon Paula Bennett, Minister for Social Development		

Homelessness in New Zealand and emergency and transitional housing responses

Purpose of the report

1   This report provides some initial analysis on growth in homelessness over recent years, a summary of current emergency and transitional housing responses and some high-level options that could be developed further to respond to homelessness in the short term.

Executive summary

2   There is concern that the number of homeless households sleeping rough, in cars or in temporary accommodation like emergency housing is increasing.

3   Establishing the size and scale of homelessness in New Zealand has always been a challenging task and, at present, there is no official national count of this population. The best estimates are from academics or government commissioned advisory boards.

4   The Ministry of Social Development (MSD) is commissioning data on homelessness as part of the Housing Assistance Reform programme, to better understand the type and extent of homelessness in New Zealand. In the interim, MSD is using data from the social housing waiting list as a proxy for trends in homelessness. This dataset does not represent a count of the homeless, as not all homeless apply for social housing.

5   Our initial analysis shows that growth in homelessness in recent years has occurred across New Zealand but this growth has not been uniform and appears to have stabilised. Levels in some locations are concerning.

   - Anecdotal evidence from emergency housing providers reported increasing demand over the last several years but no increased pressure in the past three months.
   - Initial analysis of Housing New Zealand (HNZ) waitlist data to March 2013 shows growth is not uniform and, in some areas, there is little discernible growth.
   - MSD social housing waitlist data shows that Auckland and Christchurch are hot spots, due to raw numbers of homeless (Auckland) or recent increase in homeless numbers (Christchurch).

6   Further analysis of homelessness waitlist data will expand our understanding of the type of homelessness being experienced in each region (e.g. people rough sleeping, living in cars or in emergency housing). You will be updated on the findings on 8 August 2014.

7   As an example of current pressures, a transitional housing response for Christchurch is being considered to address recent growth in homelessness, whereby the Government may fund and facilitate a property and provider to provide transitional housing for at least one year. This will provide for 40 households at a time.

8   The Christchurch situation has shown that while traditionally accepted drivers of homelessness (having a dysfunctional childhood, behavioural/social problems and adverse life events) persist, they are exacerbated by an emerging new driver – the lack of affordable housing supply for low-income households.

9   Emergency and transitional housing providers have been reporting increases in waiting lists and people being turned away for several years. Many providers have noted two core transition issues:
    • lack of funding of transitional housing (not enough housing delivering services and support to prepare people for entry into more long-term or stable housing)
    • lack of affordable long-term housing (limited access to supported housing or long-term housing means there is often nowhere for people to transfer to even if ready).

10 A range of short-term responses could be considered to respond to the increase in homelessness. Options include:
    • *improving access to social housing* (e.g. outreach via homelessness touch points to encourage homeless households to apply for social housing - ensuring that those most in need are a priority for social housing)
    • *improving the service response for homelessness* (e.g. increase funding for homelessness services helping people re-establish in stable long-term housing and address underlying issues which are often complex and/or persistent)
    • *increasing supply of emergency and transitional housing* (e.g. facilitate further supply via funding and/or property provision)
    • *addressing affordability issues* (e.g. a homelessness re-establishment grant and/or considering an Accommodation Supplement top up for homeless households).

11 Longer term measures to improve housing outcomes for this group can be considered as part of the Housing Assistance Reform work.

Recommended actions
It is recommended that you:

1   **note** that at this stage there is no official national count of the homeless but a count of homelessness is being commissioned for the Housing Assistance Reform programme

2   **note** that, in lieu of other data, this report uses the social housing waiting list data as a proxy for trends in homelessness

3   **note** that initial analysis indicates that shows the levels of homelessness has increased over the last few years, but growth has not been uniform across New Zealand and now appears to have stabilised

4   **note** that Auckland and Christchurch are particular hot spots for homelessness due to either the raw numbers of homeless (Auckland) or recent increase in homeless numbers (Christchurch)

5   **note** that you will receive a further report on 8 August 2014 on the analysis being undertaken to provide a better understanding of the type of homelessness being experienced in different geographical locations

6 **note** the range of short-term responses that could respond to the increase in homelessness and alleviate some pressure on homeless households

7 **note** that further analysis currently being undertaken will inform which of these responses is likely to be would be most effective in different locations

8 **indicate** if you want to receive further advice on how best to respond in areas:

   • with the highest raw homeless numbers (e.g. Auckland)

   YES / NO

   • with high growth in homeless numbers in recent years (e.g. Christchurch).

   YES / NO

for Katewar   18/7/14
_____   _____
Anna Butler   Date
General Manager
Social Policy and Knowledge

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Hon Paula Bennett   Date
Minister for Social Development

Other comment or feedback:

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What is 'homeless' and 'emergency housing'?

Homeless

12 The word 'homeless' is often thought of as those without shelter who sleep rough on the streets. However, most definitions go much further than that and include people who have a severe housing need and cannot access adequate housing (e.g. overcrowding).

13 The official New Zealand Definition of Homelessness, developed by Statistics New Zealand in 2009, refers to homelessness as a range of living situations where people who have no other options for safe and secure housing are:
- without shelter[1]
- living in temporary accommodation[2]
- living in uninhabitable housing[3]
- sharing accommodation with a household[4].

14 For the purpose of this report, MSD use the term 'homeless' to refer to people living in the first two categories of the official definition – which will cover people:
- sleeping rough or living in cars, caravans, garages and improvised dwellings
- living in temporary accommodation such as emergency housing properties.

15 People living in the last two categories of the official definition are already included in groups being considered through the Housing Assistance Reform programme.

Emergency and transitional housing

16 Emergency housing sits within a broader housing continuum and refers to housing of a short duration (e.g. a few days to a fortnight) with clients moving quickly to more stable or alternative housing. Emergency housing is provided by non-government organisations (NGOs) (e.g. night shelters and refuges) as well as the private sector (e.g. motor camps, hostels).

17 Transitional housing refers to housing of a longer duration (e.g. six months) provided by NGOs (e.g. Monte Cecilia's supportive housing programme) from which clients can stabilise their short-term housing and support needs, learn to live independently and then move to a more permanent housing solution.

Homelessness is a serious problem with a number of causal factors

Homelessness has negative health, social, and economic consequences

18 Many people in severe housing deprivation are unemployed, under-employed and experience multiple disadvantages in many aspects of their lives (e.g. low income, low education, socially excluded, poor physical health, mental health, or addiction).

19 Families with children, women experiencing domestic violence and family breakdown and young people leaving care feature among the homeless. For children and young people, in particular, homelessness has a devastating effect on life outcomes.

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[1] Situations that provide no shelter, or makeshift shelter, are considered as without shelter.
[2] Overnight shelter or 24-hour accommodation is provided in a non-private dwelling and not intended to be long-term.
[3] Where people reside in a dilapidated dwelling.
[4] Situations that provide temporary accommodation for people through sharing someone else's private dwelling.

20 Additionally, there is a loss of potential for these people to be productive members of society, and without disposable income, the positive economic benefits of employment and consumer contributions are lost.

Homelessness is traditionally caused by multiple disadvantage or adverse events but a new class of homeless is appearing in response to a lack of supply of affordable housing

Traditional drivers of homelessness

21 Homelessness a incredibly complex issue with many causes. It is both a cause and a symptom of poverty that is often inter-generational. It is traditionally driven by either:

- *a dysfunctional upbringing in childhood* (e.g. family instability, domestic violence or parental alcohol and drug use)

- *behavioural problems and social connection issues* (e.g. expulsion from school, involvement in crime and/or gang activity and loss of family contact)

- *a single destructive event at any life stage* (e.g. sudden unemployment, traumatic relationship breakdown or parental death, and severe mental health episodes).[5]

Wider housing issues are driving a new class of homelessness

22 A new group of homeless appears to be emerging. The group comprises low-income people who, as a result of a lack of affordable housing, are resorting to living in boarding houses, camping grounds or cars. This group are increasingly presenting for assistance and being reported in the media. The diagram below shows how wider housing pressures are impacting on the affordable housing supply for low-income households.
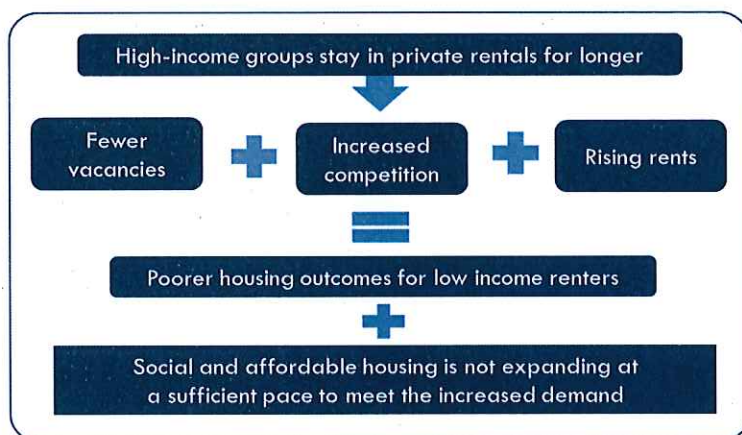
23 There are examples of people in Christchurch who are unable to exit health facilities or flee domestic violence because of a lack of available and/or affordable housing. The Christchurch City Mission is now receiving inquiries for the night shelter from the transient working poor. This situation is likely to occur in other regions with a shortage of affordable housing.

24 Data confirms that poor housing affordability is impacting on low-income households.

- MSD research on poverty is showing that accommodation costs are increasing relative to household income.[6]

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[5] Al Nasrallah, Basil et al, *Slipping through the Cracks: A Study of Homelessness in Wellington*, Wellington School of Medicine and Health Sciences, University of Otago, 6 May 2005.

[6] MSD poverty research in 2014 shows that the proportion of lower-income households (those in the bottom two quintiles, Q1 and Q2) with high OTIs rose strongly from HES 2009 to HES 2012. For Q1 the rise was from 33% to 43% - it remained unchanged to HES 2013. Housing stress in the second quintile (Q2) began to increase earlier (27% in 2004 to 36% in 2013).

- Tenancy bond data shows that, across the country, lower quartile rents have risen faster than upper quartile rents and lower quartile rents in Auckland are increasing faster than other regions.[7]

By all indications, homelessness has grown in recent years

But estimating homeless numbers is challenging

Current work to improve data on the number of homeless

25 Due to the transient nature of many homeless people, it is difficult to quantify the number of homeless, particularly those living rough, in cars or in temporary and emergency housing who are not usually captured by Census data.

26 No government agency has a statutory responsibility for the homeless or related services – and there is no official national count of the homeless. Depending on the definition, homelessness estimates can range from 8,800 to 34,000 (see *Estimates of homelessness in New Zealand*).

27 Statistics New Zealand's Definition of Homelessness is an initial step towards measuring homelessness and was created to help housing-service providers be consistent in the way they collect and report their data. Several issues need to be addressed to develop a national count. For example:
- there is no means at present of centralising the administrative data held by different organisations
- only those homeless people in contact with a housing service, other agency or researcher can be readily included, resulting in a potentially significant under count
- overstating the number of homeless where data from different organisations is combined together, as an individual may have had contact with several organisations.

28 MSD is current in the process of commissioning work on measuring the size of the homeless population as part of the Housing Assistance Reform programme recently agreed by Cabinet.

Estimates of homelessness in New Zealand

29 A *Severe Housing Deprivation* report[8] in 2013 provides one homelessness count but uses a broad definition: 'people living in severely inadequate housing due to a lack of adequate housing'. Based on 2006 Census data, the work estimated 34,000 people were severely housing deprived and that this has likely increased due to the Global Financial Crisis, worsening housing affordability, and the Canterbury earthquakes.

30 In 2010, the *Housing Shareholder Advisory Group*[9] noted the inadequacy of official data and that homelessness "is notoriously difficult to measure". However, based on conversations with NGOs and the 2006 Census, the group estimated there are around:
- 300 urban homeless (sleeping rough or in improvised dwellings) and 500-1,000 people in rural improvised housing
- 8,000-20,000 people in temporary accommodation in caravans, campgrounds, substandard housing and boarding houses.

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[7] Treasury analysis on *Change in lower quartile rents over time for the Auckland region*, July 2014.
[8] Amore K, Viggers H, Baker, MG, & Howden-Chapman, P (2013). *Severe housing deprivation: The problem and its measurement*, Official Statistics Research Series, 6.
[9] *Home and Housed - A Vision for Social Housing in New Zealand* (2010) Prepared by the Housing Shareholders Advisory Group for the Minister of Finance and Minister of Housing

Using the social housing waiting list as a proxy for homelessness trends

31 The social housing waitlist can be seen as a proxy for measuring 'homelessness' trends and is the only official measure at hand.[10] However, this data only presents lowest estimates only, as many people considered homeless may not be on the waitlist.

32 Data on social housing waitlists from:
   - MSD, relates to applications with a *'main application reason of 'homelessness'*[11]
   - HNZ, relates to the *'current accommodation'* for applications.

*The data tells us the numbers have grown but are stabilising*

33 MSD data indicates that although homeless numbers have stabilised in the last three months.

Table 1 – Homelessness main reason as percentage of social housing waitlist

	'Homelessness' as % of the social housing waitlist		
	April 2014	May 2014	June 2014
Total	9.6%	9.0%	9.0%

34 However, HNZ waitlist numbers show an increasing number of people seeking social housing because of homelessness over the last 18 months – from 202 to 701 people.

Graph 1 – Growth in HNZ homeless categories
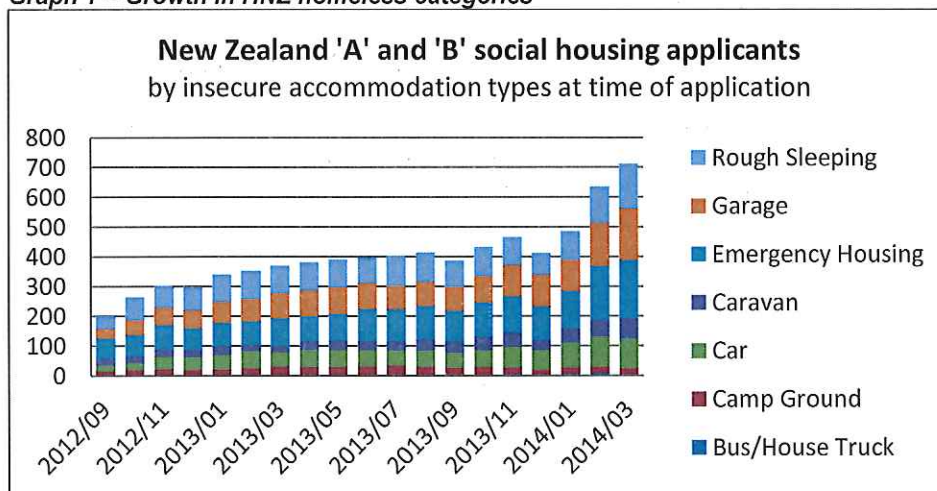
35 The majority of homeless people located in emergency housing (196 people), garages (173 people) or rough sleeping (151 people).

36 As the end of June 2014 there were 523 live social housing applications *with a main reason of 'homelessness'*.[12] These 'homelessness' numbers have remained stable since the transfer of assessment to MSD (516 in Apr, 515 in May and 523 in June).

As expected, Auckland and Christchurch appear to be particular hot spots

37 Analysis of the available information shows that Auckland and Christchurch appear to be particular hot spots – Auckland because of raw size of homeless on the waiting list (i.e. applications from 246 households) and Christchurch because of the significant increase in numbers over recent years.

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[10] This measure is used as a proxy for homelessness trends, in the absence of any other regular and national data source.
[11] MSD are working to source data on 'current accommodation' for applications.
[12] This measure is used as a proxy for homelessness trends, in the absence of any other regular and national data source.

38 These initial findings align with findings from the *Severe Housing Deprivation* report. This work estimated that, of the severely housing deprived the two areas with the greatest numbers were Manukau city (18 per cent) and Auckland city (16 per cent). Christchurch city had the third-highest number (6 per cent), based on the figure for 2006, before the Canterbury earthquakes.

39 Analysis is being undertaken on other areas. At this stage, Waikato, Taranaki, Bay of Plenty, and Central regions are indicating high homelessness.

40 The table below shows regional proportions of homeless as a percentage or the waitlist.[13]

Table 2 – Homelessness main reason as percentage of social housing waitlist

Region	'Homelessness' as % of the social housing waitlist		
	April 2014	May 2014	June 2014
Northland	5.8%	3.6%	3.8%
Auckland	7.5%	7.6%	7.7%
Waikato	18.3%	11.0%	10.5%
Taranaki	15.0%	14.3%	17.1%
Bay of Plenty	10.3%	10.9%	9.7%
East Coast	7.2%	9.7%	9.4%
Central	18.0%	13.5%	6.3%
Wellington	9.8%	8.2%	9.0%
Nelson	5.5%	4.4%	7.7%
Canterbury	20.3%	17.6%	15.2%
Southern	4.5%	6.7%	5.0%
Other	0.0%	5.6%	15.6%
Total	9.6%	9.0%	9.0%

41 Further breakdowns of homelessness data from the waitlist have been commissioned. This will expand our understanding of the type of homelessness being experienced in each region (e.g. people rough sleeping, living in cars, in emergency housing). A further report will update you on these findings on 8 August 2014.

Current responses to homelessness are not working effectively

Emergency and transitional housing provision

42 NGOs are at the frontline of providing support for people with insecure and instable housing, and emergency housing is considered a core response to provide those who are homeless with an immediate accommodation solution. The Salvation Army, Auckland City Mission, Comcare, Downtown Community Ministry and Monte Cecilia Housing Trust and Women's Refuge, among others, all cater to the needs of at risk groups.[14]

43 Emergency housing providers are reporting higher demand for their housing (increases in waiting lists and people being turned away) – and demand for transitional housing is likely to be similar.[15] Regional feedback from providers will be included in the 8 August report.

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[13] Analysis is based on numbers of live social housing applications on the waitlist with a main reason of 'homelessness' compared to the total regional number of waitlist applicants.
[14] Many receive funding from numerous sources, including government agencies, district health boards (DHBs), local and regional councils, charitable institutions and trusts, lotteries and gambling-sourced funds.
[15] Even the recorded demand may be underestimated. Those who are ineligible are not always recorded or are invisible (sleeping rough or staying with friends and family).

44 Over recent years, analysis of the sector has consistently stated that:
- supply is constrained by a lack of funding for operational and service costs
- current funding is fragmented, incomplete and insecure (e.g. a significant amount of resources are used in sourcing ongoing funding and funding is granted for explicit client groups or services which imposes eligibility requirements on the provider)
- there are service gaps (i.e. different needs require different responses and current provision does not cover the full homeless population[16]).

45 Increasing the emergency housing market may not be solution. For years many of these providers have noted two core transition issues:
- lack of funding of transitional housing (not enough emergency housing that also delivers services and support to prepare people for entry into long-term housing)
- lack of affordable long-term housing (limited access to supported housing or long-term housing means there is often nowhere for people to transfer to even if ready).

46 The Ministry of Business, Innovation and Employment are developing a response to increasing homelessness in Christchurch based on increasing housing supply. If approved, this would see government fund and facilitate a housing response providing for 40 households that will operate for at least one year. The operating model (e.g. social housing or alternative model) and funding arrangements are still being considered.

Other responses

47 Government agencies such as Work and Income, Corrections, Child, Youth & Family are involved with homeless people, and District Health Boards (DHBs) are providers or funders of mental health, drug and alcohol services used by the homeless.

48 MSD is involved in this area in multiple ways, including though:
- providing financial support (Accommodation Supplement and benefits) and other support to people who live in inadequate housing
- funding NGOs (such as women's refuges) who provide emergency housing
- collaborating with Councils, other Government agencies (Health, Corrections and Education) and NGOs, including emergency housing providers to come up with local responses (for example, the Memorandum of Understanding for an interagency approach to ending 'rough sleeping' in Auckland City[17]).

49 A few large councils (e.g. Auckland and Wellington) have homelessness initiatives and strategies aimed at ending homelessness. For example, Wellington City Council's *Te Mahana: A Draft Strategy to End Homelessness in Wellington by 2020*[18]. Some councils ban activities such as sleeping in public or enforce 24 hour alcohol bans.[19]

50 Unfortunately, current government responses, and the funding arrangements, have evolved in an ad hoc basis and are not consistent or co-ordinated.

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[16] For example, men with children, single women (other than domestic violence), youth (many exclude persons under 18 years) and ex-offenders. Additionally, there are issues of storage of personal belongings and pets.
[17] Memorandum of Understanding: Auckland Homeless Steering Group, http://www.aucklandcitymission.org.nz/uploads/file/SteeringGroupMOU.pdf
[18] http://wellington.govt.nz/have-your-say/public-input/public-inputs/consultations/closed/te-mahana
[19] These initiatives have been heavily criticized as being punitive towards the homeless and more for the benefit of the rest of the public than for 'ending homelessness'.

Action can be taken

There are some short term responses that could alleviate pressure immediately

51 A range of some short-term responses could be considered to respond to the increase in homelessness, most of which centre on providing or increase financial assistance to the sector or to homeless households. The below table shows, at a high level, the type of responses that could be considered and delivered in a 12 month timeframe.

Table 3 – Short term options to alleviate homelessness

Type of response	Example of potential responses
Improve access to social housing	Instigate an outreach practice with homelessness touch points (e.g. city missions, soup kitchens) to support them to encourage the homeless to apply for social housing (ensuring that those most in need are a priority)
Improve the service response	Increase services funding for organisations helping homeless households re-establish and address underlying issues (often complex and/or persistent)
Increase supply of emergency and transitional housing	Fund operational costs for providers
	Facilitate new supply via provision of, or assistance in securing, property
Address affordability issues	A homelessness re-establishment grant package
	A top up of Accommodation Supplement for households exiting homelessness

52 Further analysis being undertaken will inform which of these responses is likely to be would be most effective in different locations.

Longer term responses to underlying issues also warrant consideration at some stage

53 Provision for this group will be considered as part of the Housing Assistance Reform work (e.g. developing a co-ordinated cross-government approach to homelessness services. As a first step, data on homelessness is being commissioned to better understand the type and extent of homelessness in New Zealand.

54 In the long-term, although homelessness cannot be addressed by housing alone increasing the supply of affordable housing is likely to contribute to a reduction in homeless numbers. There are a range of housing initiatives in place to develop this supply (e.g. work being undertaken through the Housing Accords and Special Housing Areas Act 2013 and the Tamaki Development Company).

Next steps

55 You will receive a report on 8 August 2014 with further analysis on:
- the level and types of homelessness being experienced in each region (e.g. people rough sleeping, living in cars, in emergency housing)
- any options you have indicated an interest in developing further advice on.

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