

In Confidence

Office of the Minister of Housing

COVID-19 Ministers Meeting

## **FUNDING FOR THE CONTINUATION OF THE TEMPORARY ACCOMMODATION SERVICE'S COVID-19 RESPONSE**

### **Proposal**

1. This paper seeks the approval of COVID-19 Ministers for the continued operation of the Temporary Accommodation Service's (TAS) COVID-19 response, and a total increase in appropriation of \$8.037 million, consisting of \$7.642 million of funding from the Centre and \$0.395 revenue other.

### **Relation to Government priorities**

2. TAS is committed to supporting the All of Government response to COVID-19 by providing temporary accommodation to ensure all persons in New Zealand are following the Government requirements for self-isolation.

### **The Temporary Accommodation Service**

3. The Ministry of Business, Innovation and Employment (MBIE) is responsible for coordinating the provision of temporary accommodation for people who are displaced from their homes as a result of an emergency under clause 73 of the National Civil Defence Emergency Management Plan Order 2015 (the Order). MBIE manages this responsibility through its TAS business unit.
4. TAS also has an objective as a Civil Defence and Emergency Management welfare service, under clause 63 of the Order, to carry out activities to minimise the consequence of an emergency for individuals, families, and communities. In terms of the COVID-19 emergency, in order for the outbreak of COVID-19 to be contained, this includes providing self-isolation support for all people in New Zealand (citizens, residents and foreign nationals) who are unable to make their own arrangements.
5. TAS's core activities are to:
  - work with other agencies, organisations and businesses as part of the emergency response
  - identify and register displaced individuals and households who are in need of support to find temporary accommodation
  - undertake needs assessments to clarify what temporary accommodation options are suitable and affordable
  - coordinate the provision of temporary accommodation placement.

## *TAS's COVID-19 Response*

6. TAS activated on 20 March 2020 and is supporting around 150 households in TAS accommodation and a further 89 registered households, as at 1400 hours on 2 April 2020. These people are being placed in hotel accommodation and the cost of this is being met by TAS. Under the Order, TAS is not required to distinguish between New Zealand Citizens or Residents, and foreign nationals.
7. To date around 20 per cent of households registering with TAS have been able to self-resolve their accommodation needs after being provided with advice and guidance. A further 13 per cent do not have an immediate need for temporary accommodation and around 5 per cent have cancelled their registration or not met the criteria of being displaced due to COVID-19. The remaining 62 per cent of households have been placed in accommodation, with TAS following up after 24 hours to ensure the placement meets their needs.
8. In order to minimise people's movements, TAS has taken the approach of supporting anyone who needs help to self-isolate. This means TAS is supporting a small number of homeless people while they connect with other agencies and services, and also foreign nationals while they investigate their options with their consulate. These individuals are supported for three and five days respectively in the first instance to encourage them to seek other avenues of help, but TAS will continue to support them if they are unsuccessful. There remains some ambiguity around the boundaries between the different accommodation options available. TAS, the Ministry of Social Development (MSD) and the Ministry of Housing and Urban Development (HUD) are working through this.

### **The Ministry of Health and New Zealand Police are managing self-isolation needs for new arrivals**

9. The Ministry of Health Quarantine & Self-isolation Accommodation team is mandated to deal with all international arrivals at the border, for both quarantine and self-isolation accommodation purposes. Support is being provided by New Zealand Police.
10. MBIE is supporting Police and the Ministry of Health by providing up to date lists of commercial facilities available for quarantine and self-isolation. MBIE is also providing hotels and other accommodation providers with clear information and guidelines.

### **TAS provides support for people already in New Zealand**

11. TAS provides support to people already in New Zealand who are displaced from their homes. This may include situations where people are unable to self-isolate in their own home, where pre-planned arrangements have fallen through, or where people are unable to make their own accommodation arrangements. Annex 1 outlines the role TAS plays in supporting people to self-isolate at Alert Level 4.
12. Current projections indicate TAS will need to support around 1600 people in the next six weeks. This is based on the current rate of people requiring temporary accommodation support to self-isolate for the current average of 16 nights. This

projection does not allow for significant changes to New Zealand's transmission profile, such as sustained community transmission, or a significant extension to New Zealand's time at Alert Level 4.

#### *Cost of TAS accommodation to households*

13. As with previous emergency responses, TAS is seeking a part-payment from households placed in TAS accommodation from 2 April 2020 onwards. During previous responses this was set at 90 per cent of the lower quartile market rent for a property in the affected area. As all of New Zealand is currently affected, TAS intends to base charges on the national lower quartile market rent.
14. Part-payment charges will be \$225 per week for a one bedroom unit, \$300 per week for a two bedroom unit, and \$375 per week for a three bedroom unit.
15. Households in TAS accommodation will generally be reliant on hotel kitchen meals as they may be unable to access supermarkets due to self-isolation requirements, or lack cooking facilities in their rooms. Households will receive a per diem of up to \$75 per person, per day for food costs.
16. Households which are unable to meet this payment will continue to be placed into TAS accommodation and then directed to MSD or their consulate for support, as appropriate. TAS will not turn anyone away who cannot afford the part-payment; current costings have allowed for around 50 per cent of households to be unable to make the part-payment.

#### **Accommodation supply**

17. MBIE has connections with a range of tourist accommodation providers and has established a register of over 8 000 rooms in almost 300 hotels.
18. MBIE has also entered into a contract with Tourism Holdings Limited on 23 March 2020 for first option on up to 2,000 campervans/motorhomes to be available for quarantine or self isolation services in Auckland, Wellington and Christchurch. This was to ensure adequate supply to meet an unknown demand. A deposit of \$2.000 million has been agreed to secure the contract and any hire charges will come out of this amount in the first instance. We are working with New Zealand Police to determine if these campervans/motorhomes are suitable for their purposes.
19. MBIE continues to work with other agencies and accommodation providers to ensure there is supply of temporary accommodation.

#### **Financial Implications**

20. The Temporary Accommodation Services Multi-Category Appropriation (the Appropriation) has the single overarching purpose to coordinate and provide temporary accommodation to people displaced by a civil emergency. The Appropriation is not limited to a specific event or geographic location, and operates under the expectation that additional funding is sought as an emergency response progresses, if required.

21. The Appropriation has three categories:
- a. Readiness, Response and Recovery - this covers Departmental Output Expenses including Service coordination, contingency planning, civil defence sector engagement and event-specific services such as matching and placement, property management, and departmental support;
  - b. Temporary Accommodation Housing Initiatives Operations- this covers Non-departmental Output Expenses incurred on temporary accommodation supply initiatives; and
  - c. Temporary Accommodation Housing Initiatives Capital - this covers Non-departmental Capital Expenses of procuring and purchasing temporary accommodation solutions.
22. The initial stages of TAS's COVID-19 response have been adequately funded through the Appropriation. As at 29 February 2020 there was approximately \$1.000 million in the Appropriation not spent, with a forecast underspend (prior to the activation of the Covid-19 response) of \$0.133 million by 30 June 2020. Annex 2 provides an overview of previous TAS operational expenses and activities.
23. As at 31 March 2020, TAS has committed to around \$0.350 million in accommodation costs (for 98 households). Based on costs to date, TAS anticipates a total cost of \$5.642 million to support a total of 1600 people in temporary accommodation.
24. Households placed in TAS accommodation prior to 2 April 2020 have not asked if they are able to meet the costs of their accommodation. Where they have not been able to pay TAS has not required them pay anything towards their accommodation costs. From 2 April 2020, TAS intends to request a part-payment as outlined in paragraph 14 by asking households if they can meet this part-payment. TAS expects to receive \$0.395 million in payments from households placed from 2 April 2020 onwards.
25. TAS estimates a \$0.298 million cost to run this operation, which will be met through re-prioritisation of TAS baselines.
26. In addition TAS is seeking \$2.000 million towards the Tourism Holdings Limited contract for first option on up to 2,000 campervans/motorhomes, for quarantine or self-isolation services.
27. TAS is seeking a total increase in appropriation of \$8.037 million, consisting of \$7.642 million of funding from the Centre and \$0.395 revenue other (consisting of payments from those being placed in TAS accommodation).

## **Other agencies housing responses to COVID-19**

### ***The Ministry of Social Development's housing response***

28. MSD is working closely with HUD, Police, Corrections and Women's Refuges to ensure that sufficient supply of emergency and transitional housing is available for vulnerable clients.

29. MSD has:

- a) deferred implementation of the client contribution (25% of the client's assessable income) for Emergency Housing to avoid creating financial hardship for clients self-isolating in emergency accommodation.
- b) paused all Public Housing Tenancy Reviews for the duration of the level four alert to avoid creating uncertainty or anxiety for tenants.
- c) deferred Annual Reviews of Income Related Rent for Public Housing tenants for six-months. Aligned with the Government's rent freeze, this will ensure no-one living in public housing receives a rent increase during this period.
- d) established an expedited process to ensure that public housing tenants whose income has been impacted by COVID-19 are quickly re-assessed to ensure their rent reflects their current circumstances.

***The Ministry of Housing and Urban Development's homelessness housing response***

- 30. The Ministry of Housing and Urban Development (HUD) is leading a cross agency response to urgently bring on more supply for New Zealanders living in vulnerable accommodation and who are homeless. HUD are working with community and transitional housing and Housing First provider, iwi and Māori housing providers, and private accommodation providers, to secure more places.
- 31. Since the Alert Levels were put in place HUD has identified approximately 600 extra places and are currently progressing these while continuing to look for more. These places are mainly in motels and are for those who are homeless, e.g. people staying in night shelters and sleeping rough.
- 32. HUD is also:
  - a) working with providers to move people from accommodation with unsatisfactory arrangements, (for example, where people can't self-isolate), into more suitable accommodation if required.
  - b) working to support housing and service providers with whatever they need to continue to operate through this lockdown period.
  - c) providing support to Māori to boost essential service support and is working with iwi and Māori Housing providers to find alternative accommodation to support Māori communities, including portable cabins and local campsites.
- 33. Housing and service providers providing accommodation and support to vulnerable people and communities are essential services and will continue to operate through the lock-down period.

**Consultation**

- 34. The Treasury, the Department of Prime Minister and Cabinet, the National Emergency Management Agency, the Ministry of Social Development, the Ministry of

Housing and Urban Development, and the Ministry of Foreign Affairs were consulted on the proposals in this paper.

### **Legislative Implications, Human Rights, Gender Implications and Disability Perspective**

35. There are no legislative human rights, gender or disability implications resulting from the proposal set out in this paper.

### **Publicity**

36. There is no publicity or media release associated with this Cabinet paper.

### **Proactive Release**

37. MBIE will proactively publish this paper. Any redactions made will be consistent with the Official Information Act 1982.

### **Recommendations**

The Minister of Housing recommends that the Committee:

1. **note** that MBIE is responsible for coordinating of the provision of temporary accommodation for people who are displaced from their homes as a result of an emergency under clause 73 of the National Civil Defence Emergency Management Plan Order 2015 (the Order), and has an objective under clause 63 of the Order to carry out activities to minimise the consequence of an emergency for individuals, families, and communities.
2. **note** that MBIE activated its temporary accommodation function on Friday 20 March 2020, ensuring the provision of accommodation support for all people in New Zealand who are unable to self-isolate in response to COVID-19.
3. **note** that the Temporary Accommodation Service (TAS) provides support to people already in New Zealand who are displaced from their homes, including New Zealand citizens, residents and foreign nationals.
4. **note** that TAS is supporting and is supporting around 150 households in TAS accommodation and a further 89 registered households, as at 1400 hours on 2 April 2020
5. **note** that TAS is expecting to support around 1,600 households over the next six weeks, based on current placement rates
6. **note** that the Temporary Accommodation Services Multi-Category Appropriation allows MBIE to prepare for emergencies, with the expectation that additional funding is sought as an emergency response progresses, as required. As at 29 February 2020 there is approximately \$1.000 million in the Appropriation not spent, with a forecast underspend (prior to the activation of the Covid-19 response) of \$0.133 million by 30 June 2020.
7. **agree** to the continued operation of TAS's COVID-19 response

8. **agree** to increase spending to provide for costs associated with the policy decision in recommendation 7 above, with the following impacts on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
<b>Vote Building and Construction</b>	2019/20	2020/21	2021/22	2022/23	2023/24 and outyears
Operating Balance and Net Core Crown Debt Impact	7.642	-	-	-	-
Operating Balance Impact Only	-	-	-	-	-
Net Core Crown Debt Only	-	-	-	-	-
No Impact	0.395				
<b>Total</b>	<b>8.037</b>	-	-	-	-

9. **approve** the following changes to appropriations to give effect to the policy decision in recommendation 7 above:

	\$m – increase/(decrease)				
<b>Vote Building and Construction</b> <b>Minister for Housing</b>	2019/20	2020/21	2021/22	2022/23	2023/24 and outyears
Multi-Category Expenses and Capital Expenditure: Temporary Accommodation Services MCA Non-Departmental Output Expenses: Temporary Accommodation Housing Initiatives – Operations	7.642	-	-	-	-
Temporary Accommodation	0.395				

Housing Initiatives – Operations					
<b>Total Operating</b>	<b>8.037</b>	-	-	-	-

10. **agree** that the proposed change to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply

11. **agree** that the operating balance and net core Crown debt impact incurred under recommendation 8 above of expenses incurred under recommendation 9 be charged against the Covid-19 Response and Recovery Fund established as part of Budget 2020.

Authorised for lodgement

Hon Dr Megan Woods

Minister of Housing



**Annex 1: Temporary Accommodation Service Role in the response to COVID-19 under Alert Level 4**

Proactively Released

## Annex 2: Temporary Accommodation Service Operating Costs and Households Supported

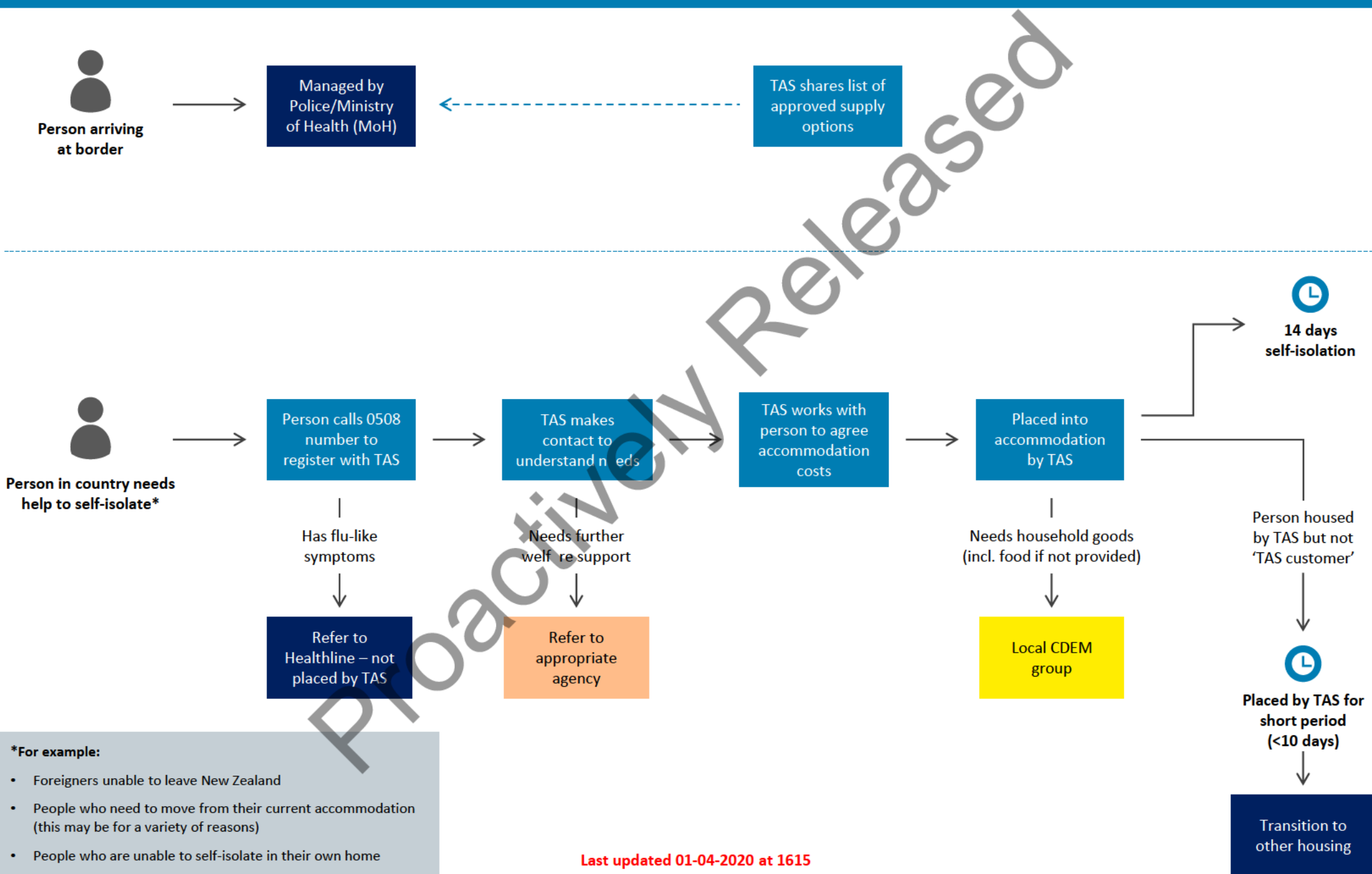
2019/20 (Year to Feb 2020)	2018/19	2017/18	2016/17
\$1,140,652	\$1,401,361	\$4,911,935	\$149,149

Event	Date	Households supported by TAS
Canterbury Earthquakes	Sept 2010 & Feb 2011	6,974
Kaikōura Earthquake	Nov 2016	502
Ex-tropical cyclones Cook and Debbie	April 2017	150
Ex-tropical cyclones Fehi and Gita	Feb 2018	82
Rotorua Floods	April 2018	81
Southland Floods	Feb 2020 (ongoing)	9

# Temporary Accommodation Service (TAS)

## Role in the response to COVID-19 under Alert Level 4

TEMPORARY  
ACCOMMODATION  
SERVICE





# Meeting of the COVID-19 Ministerial Group

## Minute of Decision

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### Funding for the Continuation of the Temporary Accommodation Service's COVID-19 Response

The group of Ministers with Power to Act on COVID-19 matters [CAB-20-MIN-0130] convened on 3 April 2020 at 10.30am, and in accordance with their Power to Act:

- 1 **noted** that the Ministry of Business, Innovation and Employment (MBIE) is responsible for coordinating of the provision of temporary accommodation for people who are displaced from their homes as a result of an emergency under clause 73 of the National Civil Defence Emergency Management Plan Order 2015 (the Order), and has an objective under clause 63 of the Order to carry out activities to minimise the consequence of an emergency for individuals, families, and communities;
- 2 **noted** that MBIE activated its temporary accommodation function on Friday 20 March 2020, ensuring the provision of accommodation support for all people in New Zealand who are unable to self-isolate in response to COVID-19;
- 3 **noted** that the Temporary Accommodation Service (TAS) provides support to people already in New Zealand who are displaced from their homes, including New Zealand citizens, residents and foreign nationals;
- 4 **noted** that TAS is supporting around 150 households in TAS accommodation and a further 89 registered households, as at 1400 hours on 2 April 2020;
- 5 **noted** that TAS is expecting to support around 1,600 households over the next six weeks, based on current placement rates;
- 6 **noted** that while part-payment will be sought from households placed in TAS accommodation from 2 April 2020, households which are unable to meet the payment will continue to be placed into TAS accommodation;
- 7 **noted** that:
  - 7.1 the Temporary Accommodation Services Multi-Category Appropriation allows MBIE to prepare for emergencies, with the expectation that additional funding is sought as an emergency response progresses, as required;
  - 7.2 as at 29 February 2020 there is approximately \$1.000 million in the Appropriation not spent, with a forecast underspend (prior to the activation of the Covid-19 response) of \$0.133 million by 30 June 2020;

**BUDGET : SENSITIVE**

- 8 **agreed** to the continued operation of TAS's COVID-19 response;
- 9 **agreed** to increase spending to provide for costs associated with the policy decision in paragraph 7 above, with the following impacts on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
<b>Vote Building and Construction</b>	2019/20	2020/21	2021/22	2022/23	2023/24 and outyears
Operating Balance and Net Core Crown Debt Impact	7.642	-	-	-	-
Operating Balance Impact Only	-	-	-	-	-
Net Core Crown Debt Only	-	-	-	-	-
No Impact	0.395				
<b>Total</b>	<b>8.037</b>	-	-	-	-

- 10 **approved** the following changes to appropriations to give effect to the policy decision in paragraph 7 above:

	\$m – increase/(decrease)				
<b>Vote Building and Construction</b> <b>Minister for Housing</b>	2019/20	2020/21	2021/22	2022/23	2023/24 and outyears
Multi-Category Expenses and Capital Expenditure: Temporary Accommodation Services MCA Non-Departmental Output Expenses: Temporary Accommodation Housing Initiatives – Operations	7.642	-	-	-	-
Temporary Accommodation Housing Initiatives – Operations	0.395				
<b>Total Operating</b>	<b>8.037</b>	-	-	-	-

- 11 **agreed** that the proposed change to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply
- 12 **agreed** that the operating balance and net core Crown debt impact incurred under paragraph 8 above be charged against the Covid-19 Response and Recovery Fund to be established as part of Budget 2020.

Michael Webster  
Secretary of the Cabinet

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**Distribution:**

The Cabinet  
Hon James Shaw

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