

Wellington, Sep 1 (AP) - A New Zealand town was on high alert Monday as police hunted for a gunman they say killed two people and injured a third at an unemployment office before fleeing on a bicycle.

Police urged residents of Ashburton to remain indoors. Meanwhile, they scoured an area around the town's river and stormed a house. But after six hours, the gunman remained on the loose.

Police identified a person of interest in the case as John Henry Tully, a 48-year-old homeless man. Tully had been interviewed in recent weeks by the local newspaper about his struggles finding somewhere to live and had also written to lawmakers.

The incident began about 10 a.m. when police said a man entered a Work and Income New Zealand office and started shooting.

A witness said the man was wearing a black balaclava and shot at two women, according to the Ashburton Guardian newspaper. Other witnesses told the paper the man was carrying a shotgun that may have been sawed down and fled on a bicycle.

Police focused a manhunt on an area around the Ashburton River, saying the man should not be approached and residents should stay inside their homes if they could. The New Zealand Herald newspaper reported police let off a smoke grenade and smashed in a door of one home but found it empty.

Lawmaker Winston Peters said in a statement that Tully had emailed his political party Aug. 14 about the difficulty of finding a house to live in.

"We replied immediately and also followed up," Peters said. "However, the emails kept bouncing back."

Peters said Tully's email showed he'd also written to other lawmakers.

Tully last month told the Ashburton Guardian he'd previously worked in Australian mines, had returned to his hometown and had ended up living in a tent after being unable to secure government-assisted accommodation.

Ashburton Mayor Angus McKay said the town was very community-minded and the tragedy would affect many lives: "It just hits home real hard," he said, according to the Herald.

Ashburton is home to about 18,000 people and is 90 kilometers (56 miles) southwest of Christchurch.