

In Confidence

Office of the Minister of Finance

Office of the Minister of Housing

Cabinet Social Outcomes Committee

Draft Government Policy Statement on Housing and Urban Development

Proposal

- 1 This paper seeks agreement to release for consultation the draft Government Policy Statement on Housing and Urban Development (GPS-HUD 2025) (Appendix A).

Relation to Government priorities

- 2 The GPS-HUD is mandated by the Kāinga Ora – Homes and Communities Act 2019 (the Act) as a statement of the Government’s priorities and direction for housing and urban development. The revised draft GPS-HUD 2025 sets out the following Government priorities for housing and urban development:
 - 2.1 Going for Housing Growth
 - 2.2 Reforming the resource management system
 - 2.3 Resetting investment to help those most in need
 - 2.4 Improving efficiency and competition in building and construction
 - 2.5 Improving rental markets.
- 3 The Going for Housing Growth land and infrastructure initiatives set out in the GPS-HUD are a key element of the Government’s Going for Growth approach.

Executive summary

- 4 The GPS-HUD is a statement of the Government’s priorities and direction for housing and urban development. It is a requirement of the Kāinga Ora - Homes and Communities Act 2019, and must be reviewed every three years.
- 5 This review provides an opportunity to talk about our plan for the system, consistent with the four roles of government articulated in the Resetting Investment Cabinet papers; and to replace the existing, out-dated 2021 GPS-HUD with a new, streamlined document that reaffirms the long-term outcomes for the system.
- 6 The draft GPS-HUD 2025 reflects existing policy positions and decisions that have been made by Cabinet. It includes:

IN CONFIDENCE

- 6.1 The vision and 30-year outcomes for housing and urban development, adapted from the previous GPS-HUD to reflect the current context
 - 6.2 Government priorities for housing and urban development, actions underway and expectations of other agencies in delivering government priorities
 - 6.3 Expectations for Kāinga Ora
 - 6.4 The key priorities of MAIHI Ka Ora, the National Māori Housing Strategy, which we propose to incorporate into the GPS-HUD to provide a strengthened, unified approach to Māori housing. MAIHI is an existing approach developed in 2021 in collaboration with Māori in the housing sector.
- 7 Incorporating aspects of MAIHI Ka Ora into the GPS, rather than have them in a stand-alone document as they currently are, may raise some questions. We are confident that the GPS-HUD accurately reflects this Government's approach to Māori housing. Input will be sought from key Māori stakeholders with an interest in housing and urban development.
- 8 We propose to consult on the draft GPS-HUD 2025 in August-September 2025 and report back to Cabinet with a final GPS-HUD in November 2025.

Background

- 9 The purpose of the GPS-HUD is to:
- 9.1 state the Government's overall direction and priorities for housing and urban development; and
 - 9.2 inform and guide the decisions and actions of agencies involved in and the activities necessary or desirable for housing and urban development.
- 10 The GPS-HUD must include the following (as well as any other matters the Ministers may consider relevant):
- 10.1 the Government's overall direction for housing and urban development, which must include a multi-decade outlook
 - 10.2 the Government's priorities for housing and urban development
 - 10.3 how the Government expects Kāinga Ora to manage its functions and operations to meet the Government's direction and priorities for housing and urban development
 - 10.4 how the Government expects other agencies to support that direction and those priorities
 - 10.5 the Government's expectations in relation to Māori interests, partnering with Māori, and protections for Māori interests
 - 10.6 how the Government expects Kāinga Ora to recognise the need to mitigate and adapt to the effects of climate change.

- 11 As required by the Act, the Ministers of Finance and Housing (Ministers) must issue and periodically review the GPS-HUD. The first GPS-HUD was issued in October 2021. The review commenced in April 2024, in accordance with the Act's requirement that the GPS-HUD be reviewed at three-yearly intervals.
- 12 When preparing or reviewing the GPS-HUD, the Ministers must be satisfied that the GPS-HUD promotes a housing and urban development system that contributes to the current and future well-being of New Zealanders.
- 13 While the review is mandatory, replacing the GPS-HUD is not. If there was a decision not to replace the GPS-HUD, the existing one would remain in place, and consultation on the review would still be required.

What we want to achieve with this review

- 14 Our intention for this review of the GPS-HUD is to produce a short, streamlined statement of what the Government wants to achieve in the system, consistent with the four roles of government articulated in the Resetting Investment Cabinet papers. We want to bring together current work in the system to provide visibility of the whole Government work programme for housing and urban development. This is an opportunity to replace the existing, out-dated GPS-HUD 2021 with a new document that reaffirms the long-term outcomes and gives stakeholders clear information about this Government's direction.

Content of the draft GPS-HUD 2025

- 15 The draft GPS-HUD 2025 meets the statutory requirements by setting out:
 - 15.1 The vision and 30-year outcomes for housing and urban development, adapted from the previous GPS-HUD to reflect the current context
 - 15.2 Government priorities for housing and urban development, described at a high level and including expectations of Government agencies in delivering on the priorities
 - 15.3 Expectations for Kāinga Ora, which refer to the Kāinga Ora Statement of Performance Expectations and relevant Ministerial letters of expectation.
- 16 The Government priorities section of the draft GPS-HUD 2025 includes information from recent Government decisions on reform in the housing and urban development system, including decisions on Going for Housing Growth, resetting investment, the establishment of a flexible housing investment strategy based on need in places, and the role of government in housing and urban development.

Taking Māori housing interests into account

- 17 To meet the statutory requirement to set out Government expectations in relation to Māori interests and partnering with Māori, the draft GPS-HUD 2025 includes the long-term outcome "Māori housing through partnership". It acknowledges that Māori are disproportionately impacted by poor housing outcomes; states the Crown's commitment to partnering with iwi and Māori to deliver better outcomes; and

recognises the crucial role iwi and Māori play in housing and urban development and the provision of affordable housing.

- 18 The draft also incorporates the key priorities of MAIHI Ka Ora, the National Māori Housing Strategy. In 2021, Māori representatives in the housing sector including iwi, hapū, stakeholders, and providers collaborated with the Crown to develop the MAIHI (Māori and Iwi Housing Innovation) approach. MAIHI Ka Ora currently sits alongside the GPS-HUD as a complementary but stand-alone strategy. It is about the Crown partnering with iwi and Māori providers to empower housing solutions and investment to address inequitable Māori housing outcomes. It is consistent with the recently released Going for Growth with Māori | Tōnui Māori framework to boost Māori economic development.
- 19 Including MAIHI in a legislatively mandated document with mandatory review and consultation requirements provides greater protection and government accountability for the MAIHI approach. Blending the two documents into a single document will make the system strategic approach clearer, more coherent and easier to manage, and more clearly show the relationship between Māori housing initiatives and Government priorities. It may also support more integrated targeting of investment and action, by explicitly relating Māori housing to the broader initiatives supporting Government priorities.
- 20 Incorporating MAIHI in the GPS-HUD may raise questions about how the blended approach will work. We are confident that the GPS-HUD accurately reflects this Government's approach to Māori housing. Consultation provides the public with the opportunity to have input into the future approach to MAIHI and Māori housing investment, and will target Māori stakeholder organisations with an interest in Māori housing.

Next steps

- 21 We propose that we consult on the draft GPS-HUD 2025 in August and September 2025 and bring a final GPS-HUD back to Cabinet in November 2025.
- 22 Following Cabinet agreement, we will finalise the design of the draft GPS-HUD and make any minor or technical amendments as required. We ask that Cabinet authorise the Minister of Housing to approve these.
- 23 We propose to release the draft GPS-HUD 2025 on the Ministry of Housing and Urban Development (Ministry) website for public consultation in late August 2025. Consultation will run for four weeks.
- 24 The following presents the high-level timeframe:

Activity	Timeframe
Consultation period	Late August to late September 2025
Summary of submissions and feedback prepared	Late September to mid-October 2025
Report-back to Cabinet with final GPS-HUD	Mid November 2025

Cost-of-living implications

- 25 This proposal has no cost-of-living implications.

Financial implications

- 26 The GPS-HUD is being prepared within the Ministry's baseline funding.
- 27 While there are no immediate financial impacts, we expect the direction signalled in the GPS-HUD to provide a framework for consideration of Budget decisions.
- 28 The GPS-HUD includes information on changes to the housing investment system, and other initiatives with potential financial implications. However, these initiatives have been (or will be) subject to separate Cabinet decisions. The GPS-HUD makes no particular commitments to new funding and explicitly avoids raising expectations.

Legislative implications

- 29 The draft GPS-HUD 2025 does not directly propose any legislative changes. It will set the strategic direction for the development of future policies that may require legislation.

Impact analysis*Regulatory Impact Statement*

- 30 There are no regulatory proposals in this paper, and therefore Cabinet's regulatory impact analysis requirements do not apply.

Climate Implications of Policy Assessment

- 31 The Climate Implications of Policy Assessment (CIPA) does not apply as the GPS-HUD does not have a direct impact on emissions.

Population implications

- 32 Development of the draft GPS-HUD 2025 has included consideration of the implications for different population groups. Poor quality, insecure housing disproportionately affects specific population groups, especially low-income households and including Māori, Pacific people, children and young people, disabled people and older people. The priority "resetting investment to help those most in need" outlined in the draft GPS-HUD 2025 will provide a clearer approach to ensure people in high housing need have access to stable and secure housing.
- 33 The draft GPS-HUD 2025 also includes specific information on Government actions to improve housing outcomes for Māori.

Human rights

- 34 This proposal is not inconsistent with either the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.
- 35 The GPS-HUD's focus on increasing the supply of housing, improving access to housing, improving the quality of housing and reducing housing inequity is broadly in line with the concept of the right to adequate housing in the International Bill of Rights.

Use of external resources

- 36 No external resources have been used in the development of either the draft GPS-HUD or this paper,

Consultation

Consultation with Government agencies

- 37 The following agencies were consulted on this Cabinet paper and the consultation draft: The Treasury, Ministry for the Environment, Department of Internal Affairs, Ministry of Transport, Ministry of Business, Innovation and Employment, Ministry of Social Development, Te Puni Kōkiri, Ministry for Pacific Peoples, Ministry of Health, Whaikaha - Ministry of Disabled People, New Zealand Transport Agency – Waka Kotahi, Infrastructure Commission - Te Waihanga.
- 38 The Ministry has also undertaken initial engagement with Kāinga Ora on the draft GPS-HUD 2025.
- 39 Most agencies responded to the request for feedback and were supportive overall of the shape and focus of the GPS-HUD. Several agencies suggested amendments to improve the accuracy, clarity and completeness of the content, which have been incorporated where appropriate.
- 40 The Department of the Prime Minister and Cabinet has been informed.

Public consultation

- 41 The Act requires that, when preparing the GPS-HUD, Ministers must consult Kāinga Ora and persons, and representative groups of persons, who have an interest in housing and urban development in New Zealand.
- 42 The proposed four-week consultation period for the GPS-HUD reflects the limited scope and scale of consultation compared to the original GPS-HUD, which was developed from scratch. The draft GPS-HUD 2025 is updated and simplified from the previous version, but the long-term system outcomes sought are the same. The GPS-HUD consultation will not duplicate separate stakeholder engagement and consultation processes related to the Government priority initiatives.
- 43 Consultation will seek feedback on how well the draft GPS-HUD 2025 communicates the long-term direction of government and how the Government's priorities support

that direction, and how well the draft meets legislative requirements. It will also seek feedback on the MAIHI priorities.

- 44 We propose that consultation will be done by engaging with stakeholders directly through email and, where appropriate, targeted discussions. Additionally, an online consultation questionnaire will be available on the Ministry's website for submissions from other stakeholders and the public.
- 45 We intend to direct officials to invite engagement during the consultation period with specified stakeholders involved in the housing and urban development system, including iwi and Māori, to ensure we hear a range of views.
- 46 We will also formally consult with Kāinga Ora during this period, to allow them to provide a submission approved by the Kāinga Ora Board.
- 47 The planned consultation on the draft GPS-HUD 2025 will meet the consultation requirements in the Kāinga Ora Act.

Communications

- 48 Subject to Cabinet agreement, the draft GPS-HUD and related consultation material will be released on the Ministry's website late August.

Proactive release

- 49 We intend to proactively release this paper by publishing it on the Ministry's website.

Recommendations

The Minister of Finance and the Minister of Housing recommend that Cabinet:

- 1 **note** that the Kainga Ora – Homes and Communities Act 2019 requires the Ministers to review the Government Policy Statement on Housing and Urban Development (GPS-HUD) at intervals of no more than 3 years
- 2 **note** that the purpose of the GPS-HUD is to state the Government's overall direction and priorities for housing and urban development; and inform and guide the decisions and actions of agencies involved in, and the activities necessary or desirable for, housing and urban development
- 3 **note** that a draft GPS-HUD has been prepared by the Ministry of Housing and Urban Development, with input from other government agencies
- 4 **note** that the revised draft GPS-HUD includes the Government's key priorities for housing and urban development
- 5 **note** that the MAIHI Ka Ora priorities for Māori housing have been incorporated into the revised draft GPS-HUD
- 6 **approve** the release of the draft GPS-HUD for public consultation

I N C O N F I D E N C E

- 7 **authorise** the Minister of Housing to approve any further minor and technical changes and additions to the draft GPS-HUD prior to its release for public consultation
- 8 **note** that we will report back to Cabinet in November 2025 with a final version of the GPS-HUD for approval.

Authorised for lodgement

Hon Nicola Willis

Minister of Finance

Hon Chris Bishop

Minister of Housing