



Aide-memoire

19 April Ministerial Housing Workshop: Supporting Māori housing through the infrastructure fund

Date:	16 April 2021	Security level:	Budget - Sensitive
Priority:	High	Report number:	AMI20/21040502

Information for Minister	
Hon Dr Megan Woods Minister of Housing	

Contact for discussion				
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Brad Ward	DCE Place-based Policy & Programmes	04 831 6035	s 9(2)(a)	✓
Joey Shannon	Lead, Infrastructure Fund Policy			

Other agencies consulted

Minister's office to complete

<input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> See Minister's notes <input type="checkbox"/> Needs change <input type="checkbox"/> Overtaken by events <input type="checkbox"/> Declined <input type="checkbox"/> Referred to (specify) <hr/>

Comments

Date returned to HUD:



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Purpose

1. You are having a workshop with several housing Ministers on Monday 19 April from 4:00 – 5:30 pm to discuss the Housing Acceleration Fund. Included in this discussion may be how the fund can best support Māori housing outcomes.
2. This note provides some options for how this could be achieved.

Supporting Māori housing through the infrastructure fund

3. Officials have identified two areas where there is a case for allocating a portion of the infrastructure fund specifically to Māori housing outcomes and doing so through a process separate to the competitive infrastructure fund. These are discussed below.

Infrastructure to enable housing funded through the Māori housing Budget initiative (\$150 million)

4. The Māori housing Budget initiative will include provision for approximately 1000 homes to be built. However, the funding is only sufficient for the homes themselves; there is no provision for infrastructure. The specific infrastructure needs vary and will include non-trunk and trunk infrastructure normally paid for by developers and councils.
5. If the Government is committed to enabling the homes at the scale intended by the Māori housing Budget initiative and doing so at pace, the Government will likely need to fund the infrastructure component as well. This has been estimated as \$150 million.
6. If Ministers choose to fund this through the Housing Acceleration Fund, we recommend the funding be provided through the mechanisms proposed under the Māori housing Budget initiative (oriented around the MAIHI framework and structures), rather than through the competitive component of the infrastructure fund. This will enable a simpler, joined up approach to delivering these homes than to try to run these decisions through a separate competitive process, particularly as a mandate for these specific projects already exists.

Future oriented investment (\$100 million)

7. There is also a case for separating out a further portion of the fund to the support Māori housing outcomes through a separate process. The \$150 million discussed above is sufficient to enable the projects already identified. Additional infrastructure funding for future projects can help support a pipeline of future Māori housing investments.
8. Most of the these potential investments have very different characteristics than those we expect the competitive infrastructure fund to primarily support. In particular:
 - a. the investments are often very small and would fall below a standard minimise size requirement (a setting that likely makes sense for the competitive infrastructure fund)

b. the infrastructure is often focused on non-trunk infrastructure, particularly for more remote developments when connection to reticulated three waters systems is impractical.

9. Trying to incorporate these types of investments within the mainstream competitive fund, administered by Kainga Ora, is probably not fit-for-purpose. If Ministers wish to make funding specifically available for these types of investments, operating it separately through a process built around the MAIHI triage process and cross-agency structures is a better solution. This would allow these funds to be administered in a more pragmatic and potentially quicker way, while allowing the competitive fund to have a simpler and more consistent design and approach.

Implications for the competitive fund

10. These approaches would not be intended to preclude a role and focus for the competitive fund in supporting Māori Housing outcomes. The competitive fund would still do so, but primarily through larger, often iwi-led investments s 9(2)(f)(iv), s 9(2)(j)