



# Briefing

<b>Briefing to Ministers</b>			
<b>Date:</b>	5 July 2019	<b>Security level:</b>	In Confidence
<b>Priority:</b>	High	<b>Report number:</b>	BRF18/19070330

<b>Action sought</b>		
	<b>Action sought</b>	<b>Deadline</b>
Hon Dr Megan Woods <b>Minister of Housing</b>	<b>Note</b> the contents of the attached Briefing to Ministers  <b>Agree</b> that officials engage directly with Ministerial offices on expectations for the provision of more detailed briefings	12 July 2019
Hon Phil Twyford <b>Minister for Urban Development</b>		
Hon Nanaia Mahuta <b>Associate Minister of Housing (Māori Housing)</b>		
Hon Kris Faafoi <b>Associate Minister of Housing (Public Housing)</b>		

<b>Contact for discussion</b>			
<b>Name</b>	<b>Position</b>	<b>Contact no.</b>	<b>1<sup>st</sup> contact</b>
Andrew Crisp	Chief Executive	s 9(2)(a)	✓
Helen Potiki	DCE, Office of the Chief Executive		

<b>Other agencies consulted</b>
Housing New Zealand, Ministry of Social Development, Ministry of Business, Innovation and Employment

## Minister's office to complete

<input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> Approved <input type="checkbox"/> Needs change <input type="checkbox"/> Not seen by Minister <input type="checkbox"/> Overtaken by events <input type="checkbox"/> Declined <input type="checkbox"/> Referred to (specify)  <hr/>
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<b>Comments</b>          
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**Date returned to HUD:**

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# Briefing

## Briefing to Ministers

**To:** Hon Dr Megan Woods, Minister of Housing  
Hon Phil Twyford, Minister for Urban Development  
Hon Nanaia Mahuta, Associate Minister of Housing (Māori Housing)  
Hon Kris Faafoi, Associate Minister of Housing (Public Housing)

**From:** Andrew Crisp, Chief Executive, Ministry of Housing and Urban Development

**Date:** 5 July 2019 **Security level:** In Confidence

**Priority:** High **Report number:** BRF18/19070330

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## About the Briefing to Ministers

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1. Attached for your information is the Ministry of Housing and Urban Development's (the Ministry's) Briefing to Ministers that spans both the Housing and the Urban Development portfolios.
2. The briefing provides information for all Ministers on the current situation within the Housing and Urban Development system (Section 1) in light of the critical role that this system plays in influencing the wellbeing of New Zealanders and the success of New Zealand more generally.
3. One of the aims of Section 1 is to highlight the interdependencies between your portfolios, and those of many of your colleagues. The government's changing role in the system, institutional changes to support that, and key agencies and portfolios across the system are also described (Section 2).
4. The briefing then goes on to discuss the context around some of the critical programmes of work which need to be delivered across the system over the next 6-12 months (Section 3). This is not an exhaustive list of work ongoing. Rather, the briefing highlights areas where there are significant interconnections.
5. The briefing also provides introductory material on the legislation and Vote structures associated with the Housing and Urban Development portfolios (Section 4) as well as further information about the role of the Ministry (Section 5).

## Engaging with Ministers in the weeks ahead

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6. We understand that joint Ministerial meetings are planned to commence from the week of 22 July. We will work with the office of the Minister of Housing to confirm details of these meetings and the approach to subsequent meetings ahead of time.
7. In relation to the key work programmes outlined in Section 3 of the attached briefing, we propose to engage directly with Ministerial offices on expectations for the provision of more detailed briefings on the critical programmes.

8. The Ministry (and other relevant agencies) will be engaging directly with Ministers over the coming weeks on the wider work programme which they are responsible for. The exact nature and timing of such briefings and engagements will be agreed with Ministerial offices.

### **Progressing work in advance of the initial joint Ministers meeting**

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9. In the interim, we will look to engage directly with delegated Ministers on a limited number of time-critical decisions that need to be taken before the first joint Ministerial meeting.
10. At this stage, we anticipate that direction and/or decisions may need to be sought in respect of a number of matters including:
- a. Timeframes for the **Residential Tenancies Reforms** (which are proposed to be introduced to the House by the end of year)
  - b. Decisions around the last tranche of **Special Housing Areas** to be established under the Housing Accords and Special Housing Areas Act 2013 (in advance of the Act expiring)
  - c. Undertaking Ministerial consultation on a draft **National Policy Statement on Urban Development**
  - d. The establishment of **Kāinga Ora - Homes and Communities**
  - e. **Land for Housing** proposals.
11. When Ministers meet initially we would like guidance on expectations around how officials can support Ministers to stay connected across their portfolios.

### **Recommended actions**

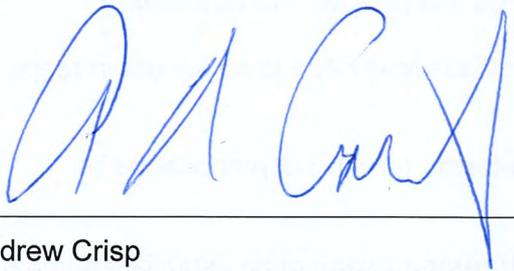
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12. It is recommended that Ministers:

- i. **note** the contents of the attached Briefing to Ministers *Noted*
- ii. **note** that the briefing focuses primarily on the current situation within the housing and urban development system and some of the critical programmes of work *Noted*
- iii. **note** that we will be briefing relevant Ministers further on these critical programmes of work in the coming weeks
- iv. **note** that we will work with the office of the Minister of Housing to confirm details of joint Ministerial meetings which commence in the week of 22 July *Noted*
- v. **note** that officials will engage directly with Ministerial offices on expectations for the provision of more detailed briefings across the wider work programme *Noted*

- vi. **note** that we will engage directly with delegated Ministers on a limited number of time-critical decisions that need to be taken before the first joint Ministerial meeting

*Noted*



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Andrew Crisp  
**Chief Executive, Ministry of Housing  
and Urban Development**

5 / 7 / 2019  
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Hon Dr Megan Woods  
**Minister of Housing**

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Hon Phil Twyford  
**Minister for Urban Development**

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Hon Nanaia Mahuta  
**Associate Minister of Housing (Māori  
Housing)**

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Hon Kris Faafoi  
**Associate Minister of Housing (Public  
Housing)**

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**MINISTRY OF HOUSING  
AND URBAN DEVELOPMENT**

# Briefing to Ministers

July 2019

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**Ngā mihi nui e ngā rangatira.**

Welcome to your Housing and Urban Development portfolios.



I felt that there was value in providing an overarching briefing to all Ministers with responsibilities in the Housing and Urban Development portfolios. This is in acknowledgement of the interconnections that exist in the system and between the portfolios. It also recognises that the nature of the challenges which the Ministry of Housing and Urban Development was established to resolve are likely, in many cases, to require system-wide responses.

As a Ministry, we were formed to provide everyone in New Zealand with healthy, secure and affordable homes that meet their needs, within thriving communities that provide access to jobs, education, amenities and services.

Before our establishment, no single government agency had responsibility for the leadership and performance of the housing and urban development system. The Ministry was created to take on this end to end system leadership role.

Section 1 is an introduction to the strategic context within which the Housing and the Urban Development portfolios operate. Section 2 describes how the role of government has changed and how we work across agencies to manage the inter-connections between the housing, urban development and other related portfolios.

Section 3 provides a high-level introduction for all Ministers to some of the critical programmes of work which need to be delivered over the foreseeable future while Section 4 provides introductory material on the legislation and Vote structures related to the Housing and Urban Development portfolios.

Lastly, Section 5 provides more detail about the Ministry, the role that it plays in supporting Ministers to deliver on Government's objectives and how it goes about that role.

I look forward to working with you all.

Nāku noa, nā

A handwritten signature in blue ink, appearing to read 'Andrew Crisp', written in a cursive style.

Andrew Crisp  
**Chief Executive**  
**Ministry of Housing and Urban Development**

**Dated: 5 July 2019**

## Section 1: Strategic Context

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### Housing and Urban Development makes a significant contribution to wellbeing

- The Housing and Urban Development portfolios play an essential role in the wellbeing of New Zealanders and in the success of New Zealand.
- A home is more than a house. The concept of ‘home’ encompasses the features of the community within which a house is located, and how that community supports the broader needs and aspirations of people for how they want to live.
- Thriving communities are inclusive, and offer all people choices, connectivity, opportunity, stability and identity.

### But there are some challenges

- New Zealand’s housing and urban development system has been under pressure for some time and is not delivering the outcomes sought.
- New Zealand has:
  - High house prices and rents relative to incomes
  - Increased housing stress, poor tenure security, and increased homelessness
  - Inadequate housing supply and choice
  - Urban planning systems that increase costs and propagate social exclusion
  - Poor construction sector capacity and productivity
  - Underinvested in growth-supporting infrastructure
  - Poor urban mobility, increased greenhouse gas emissions from transport, and poor productivity
- Increasing housing supply in isolation from consideration of the factors that create thriving communities will reinforce inequality, poverty and social exclusion.
- Iwi, hapū and whānau Māori face some unique housing challenges requiring the development of joined up, bespoke and innovative responses that actively support Māori needs and aspirations, enhance wellbeing and improve outcomes for Māori. The aim is to unlock the potential of Māori Land, for whānau to have access to reconnect to their whenua and to build and contribute to their communities.
- Successfully addressing the critical challenge of homelessness depends on recognising the complex and inter-related causes that extend beyond a shortage of housing, and recognising that the solutions are intertwined with the concepts of community and place.

- The effects of poor housing affordability and dysfunctional housing markets are widespread. High house prices relative to incomes:
  - Has distributional impacts: transferring wealth from younger and from less wealthy people to existing landowners, who are generally richer and older
  - Creates inequality which contributes to wider social and economic costs, including overcrowding and homelessness
  - Generates a significant drag on city- and national-level productivity, and hinders labour mobility
  - Increases government costs
- Improving housing affordability for all people needs to consider the related factors, beyond direct housing costs, that influence household incomes, such as access to opportunity, or transport costs. Income growth is something that policy- and decision-making within the housing and urban development portfolios has a clear and direct bearing on, but requires strong systems focus and cross-portfolio coordination to appreciate and advance.

### **The work required to address these challenges**

- Increased provision of ‘intermediate market’ products, such as affordable and assisted rental products managed by community housing providers, progressive ownership options, and secure, quality market-rental properties are all important complements to public housing and affordable housing for ownership. These solutions support people to progressively move towards greater housing independence.
- For communities to thrive, it is important that people have options about where and how they live. This is facilitated by the availability of affordable homes (owned or rented), and a variety of housing types and sizes in the locations that offer the best access to opportunity and security of tenure.
- Public housing and associated services play an important role in catering for households that have complex housing needs and face multiple barriers to accessing and sustaining private tenancies. Increasing public housing supply is an essential component in addressing severe housing deprivation and preventing homelessness.
- The performance of New Zealand’s main urban areas is critical for New Zealand’s prosperity and wellbeing, and is intricately linked with regional prosperity.
- The key factor in how well urban areas generate prosperity and wellbeing is how well they provide ‘mobility’, which is in turn determined by:
  - Well-functioning land, housing and construction markets, supported by flexible, responsive land-use policies and infrastructure provision, that deliver sufficient capacity for housing and business growth so that people and firms have real choices about where they live or locate.
  - A transport system that allows for the efficient movement of people and goods around all parts of the urban area, and which promotes sustainable, safe, healthy and active lifestyles.

- Ensuring that the urban development system supports dynamic, responsive and efficient growth is not just important for the wider wellbeing outcomes sought, such as growing all people's incomes or transitioning to a low-carbon economy, but is also essential for successful delivery of the Government's Build Programme.
- How much and how quickly new public and affordable housing can be delivered by government is constrained by the same underlying system issues that constrain the private development market.
- Communities around New Zealand need solutions that work for them and address the specific challenges they face. Addressing systemic issues at a national level as well as taking a place-based approach will ensure communities around New Zealand thrive.
- To do that, the role of government in the system needs to change and this has already begun.

## Section 2: The changing role of government in the system

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### The role of central government has been changing

1. In recent history, central government in New Zealand has played two explicit roles in housing that continue to be important areas of focus and investment<sup>1</sup>:
  - Housing support for our most vulnerable people and households, through investment in and management of public and emergency housing, and through welfare payments such as the Accommodation Supplement.
  - Regulating housing quality and tenure, including through the building regulatory system, the Residential Tenancies Act, Unit Titles Act, and the Retirement Villages Act.
2. In contrast, central government's role in facilitating housing supply, affordability and choice beyond public housing provision has tended to rely on the operation of the market to deliver a range of housing solutions, within the policy and regulatory settings provided.
3. We are taking a more active approach to urban development. Historically, government has set the regulatory and investment settings within which others operated — i.e. the Resource Management Act, Local Government Act and Land Transport Management Act — but largely delegated to local authorities (and arms-length agencies like NZTA) the task of urban growth management, urban planning and the coordination of much infrastructure investment.
4. The choices that central government makes around things like transport investment, new schools and hospitals, and the underpinning legislative and policy settings, has quite profound impacts on the ability for local government and others to deliver high-performing urban areas and well-functioning housing markets. This, too, has only recently been recognised as an area where the government has an important role in coordinating the various moving parts involved.
5. New Zealand's housing and urban performance, and the flow on social, environmental and economic impacts, are a consequence of a system that is not meeting the needs of New Zealanders. To bring about enduring, positive change, the policy, regulatory, investment, and institutional settings that underpin housing and urban development need to perform much better as a system.

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<sup>1</sup> E.g. Central government's significant investment in addressing homelessness, increasing public housing supply, making life better for renters, and improving the building regulatory system.

6. The Government has pursued an explicit mandate of becoming more involved in the operation and performance of that system through the following three ways:

- A more **explicit delivery role for government** in the system, by facilitating the delivery of housing (including public and transitional housing and associated services, as well as affordable housing), a provider of growth-supporting infrastructure, and as a facilitator and enabler of quality urban development.

Initiatives in this category include: increasing the number of public houses, delivering affordable housing through the KiwiBuild build programme, establishing Kāinga Ora to undertake and facilitate large-scale urban development projects, and increasing investment in growth-supporting public transport investment and active modes.

The pace at which this strengthened role can deliver outcomes will be dependent on increasing public investment in housing and urban development, and finding new ways to leverage and attract private capital.

- A recognition that the **regulatory and policy settings** need to change to support the outcomes sought. This includes better understanding and connecting how those settings work together across portfolios.

Initiatives in this category include: the Urban Growth Agenda's focus on responsive urban planning (e.g. National Policy Statement - Urban Development); infrastructure funding and financing tools; transport pricing; and legislative reform (RMA, local government and spatial planning), as well as changes to the building regulatory system, a construction skills strategy, reforming the residential tenancy system, and changing demand-side settings.

There is a tension between resourcing the long-term system changes and focusing on the direct, short-term interventions to address immediate need. However, the system work is essential to creating enduring improvements and ultimately reducing the cost.

- An explicit **focus on place and on partnership**, understanding the needs of different communities and partnering effectively with iwi, local government, private sector builder and developers, Community Housing Providers and others.

Initiatives in this category include: Local Governance for Community Wellbeing, building new partnerships with Māori for the future, the Construction Sector Accord, and regional, place-based partnerships, including taking a more active role in spatial planning.

Like the system focus, there is a tension between delivering at pace and scale and partnering with others, ensuring government's approach has broad buy-in, and helps raise capability and capacity across the whole system, not just within central government agencies like Kāinga Ora – Homes and Communities.

*Creation of two new public-sector organisations to support the change in government's role*

7. The change in the role of central government in these systems is also being supported by the creation of two new public-sector organisations: The Ministry of Housing and Urban Development (HUD), and Kāinga Ora - Homes and Communities (Kāinga Ora).
8. HUD was established with a clear mandate to recognise and understand how the whole housing and urban development system operates, to bring together fragmented responsibilities and resourcing, increase the role of government in addressing and responding to homelessness, and provide leadership and a single point of accountability for housing and urban development within central government.
9. The creation of HUD recognises that housing and urban development are indivisible concepts, and form complex and inter-related systems. This is not just about the regulations, controls or operations of central government; it encompasses all of the participants, relationships and incentives that support and drive housing and urban development in New Zealand. It includes private sector players, such as developers, the construction sector, financial institutions, and landlords, alongside iwi, local government, infrastructure providers (both public and private), not-for-profit organisations which provide housing or social services, and every New Zealand household and property owner.

*Agencies working together*

10. To complement the establishment of the Ministry, Cabinet had agreed that the leadership role for the Ministry be strengthened through the formal establishment of a Specific Purpose Board. This is a Board mandated by Cabinet and provides a mechanism to hold relevant chief executives collectively accountable for working on cross-cutting issues where there are interdependencies between the activities of their agencies.
11. The decision was taken earlier this year not to establish a Specific Purpose Board at this time, but explicitly recognised that could be reconsidered at a later date. In the meantime, two senior level cross agency groups have been established, led by HUD:
  - **Homelessness:** recognising homeless people face a range of complex and inter-related issues it is essential that a systems approach is taken to the prevention and reduction of homelessness. Agency representation includes Te Puni Kōkiri (TPK), the Ministry of Social Development (MSD), Health, Corrections and NZ Police
  - **Built and Urban System:** The Built and Urban System (BUS) group focus on governing the intersections of the various system reforms from an urban development perspective. This includes spatial planning aspects of Resource Management reform and the Urban Growth Agenda. The group also provides a cross-agency governance forum for the Government Policy Statement on Housing and Urban Development.
12. **Ministerial Advisory Group (MAG):** As part of HUD's role, we support the MAG. The role of the MAG is to work with the Minister and HUD to inform policy development, and to communicate and update stakeholders on a range of urban and housing issues. We will be working with Ministers on the form and function of the MAG in light of changes to portfolio arrangements.

*Key agencies that support Housing and Urban Development portfolios*

13. Ministers are primarily supported in their portfolios by HUD, as well as HNZ, MSD, Ministry of Business, Innovation and Employment (MBIE) and TPK.
14. There are some key points of interaction between HUD and **HNZ** to note. These include:
  - first-home buyer support (e.g. through delivery of HomeStart grants)
  - the role of HNZ in public housing Supply and delivery of transitional housing
  - the delivery of Large Scale Projects on HNZ land
  - delivery of KiwiBuild homes (e.g. McLennan homes)
15. However, the key area where HNZ (and its subsidiary HLC) are actively working together with HUD is around the establishment of Kāinga Ora. In particular, HNZ are a key part of the Urban Development Group which is working to align operational activity across HUD, HLC and HNZ in advance of Kāinga Ora being formally established.
16. HNZ are planning to provide a more detailed briefing for Ministers, however a summary of HNZ's short-term priorities are set out below. These have been informed by the operating environment, policy settings for HNZ, and intention to improve the outcomes for customers.
17. For the 2019/20 year HNZ's priorities are:
  - Increase understanding of customers and communities and put their diverse needs at the centre of decisions and actions
  - Increasing the pace and scale of land and housing supply
  - Reduce the cost of building and, in turn, ensure HNZ financial sustainability
  - Optimising the management, maintenance and renewal of HNZ homes
  - Strengthening the performance of the housing sector
  - Be a high-performing organisation.
18. **MBIE** provides key tenancy and unit titles-related regulatory services to the public, including information and education, advice, bond administration, and enforcement and compliance. MBIE's Compliance and Investigations Team is responsible for compliance and enforcement of landlords obligations under the Residential Tenancies Act including standards for insulation that came into force on 1 July 2019 and the Healthy Homes Regulations that will begin to apply to rental properties from 1 July 2021. The Dispute Resolution function is provided jointly by MBIE and Ministry of Justice.
19. **MSD** provides lead policy advice on client-facing engagement including eligibility and referral settings for housing support and continues to deliver its client-facing housing role. This includes engaging with people on eligibility and referral to emergency, transitional and public housing, and the administration of support for housing costs through the Accommodation Supplement and Temporary Additional Support. MSD is also responsible for Emergency Housing Special Needs Grants.
20. MSD continues to be the lead policy advisor on Accommodation Supplement due to its links to the income support system, while HUD advises on the role of Accommodation Supplement as a tool to support households to access and sustain warm, safe and dry housing. All MSD advice

on Accommodation Supplement is done in consultation with HUD and provided to joint Ministers.

*Key portfolios for working across the system*

21. Delivering the Government’s housing and urban development priorities requires a strong and coordinated approach across a wide range of portfolios.
22. While you collectively hold some direct regulatory and delivery levers (including Kāinga Ora), many of the key factors that influence outcomes in the housing and urban development system sit in other portfolios.
23. The housing and urban development system, is dependent on, but not limited to, interactions with the following portfolios:

CRITICAL PORTFOLIOS	EXAMPLES OF LINKS WITH HOUSING AND URBAN DEVELOPMENT
<b>Environment</b>	Resource Management Act, urban land-use planning
<b>Transport</b>	Accessibility and connectivity, public transport and mode shift, infrastructure funding and financing, demand management and pricing
<b>Building and Construction</b>	Building sector productivity and capacity, building regulatory system, construction sector skills
<b>Economic Development</b>	Productivity, firms and sectors, economic transformation
<b>Social Development</b>	Supporting vulnerable people and households, interface with the welfare system, responses to homelessness
<b>Māori Crown Relations: Te Arawhiti</b>	Housing and urban development partnerships with iwi, right of first refusal land
<b>Māori Development: Te Puni Kōkiri</b>	Māori housing and urban development needs and aspirations, funding support
<b>Local Government</b>	Local infrastructure planning, funding and financing, local government partnerships
<b>Finance</b>	Funding for and investment in housing and urban development, entity performance

IMPORTANT PORTFOLIOS	EXAMPLES OF LINKS WITH HOUSING AND URBAN DEVELOPMENT
<b>Pacific Peoples</b>	Supporting housing and urban needs and aspirations of Pacific Peoples
<b>Infrastructure</b>	Infrastructure planning, funding and financing, national-level connectivity and networks, Te Waihanga (New Zealand Infrastructure Commission)
<b>Climate Change</b>	Transition to a low-carbon economy, circular economy
<b>Regional Economic Development</b>	Regional growth and regional partnerships to inform our place-based approaches
<b>Immigration</b>	Population growth, managing demand, accessing skilled labour for growing cities
<b>Land Information</b>	Public Works Act, identification and recycling of surplus Crown land
<b>Conservation</b>	Parks and open space, reserve swaps
<b>Education, Health, and others</b>	Investment in growth-supporting and place-shaping social infrastructure, skills

### **Section 3: Key priorities across the portfolios**

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24. In light of the strategic context outlined in Section 1 and the interconnected nature of the Housing and Urban Development portfolios, this section provides a high-level introduction to some of the critical programmes of work which need to be delivered in the foreseeable future.
25. The information is provided so that all Ministers have a shared understanding of these key pieces of work and what they are seeking to achieve.
26. The key priorities covered in Section 3 are:
  - Homelessness
  - Improving housing affordability and the Government Build Programme
  - Government Policy Statement on Housing and Urban Development
  - Kāinga Ora – Homes and Communities Establishment
  - Māori Housing Work programme
27. Note that this is not an exhaustive list of work ongoing. Rather, the briefing highlights areas where we want to ensure Ministers have a shared understanding of the importance of the work.
28. We will engage directly with Ministerial offices on expectations for the provision of more detailed briefings on both the critical programmes outlined here and other parts of the wider work programme.

## Homelessness

*Objective: To take a coordinated, cross government approach to ensure homelessness is prevented where possible, or is rare, brief and non-recurring.*

29. Our current responses for tackling homelessness are:
- **Public housing:** properties owned or leased by HNZ and Community Housing Providers that can be tenanted by people who are eligible for public housing as per the Social Allocation System (SAS) criteria<sup>2</sup>.
  - **Transitional housing:** short-term housing (12 weeks on average) and housing-related social services for people with an immediate housing need while support is put in place to transition them into sustainable public or private housing on a long-term basis.
  - **Housing First:** our primary response for supporting the chronic homeless and those with multiple, high and complex needs. Housing First provides housing then offers tailored support for as long as it is needed to help people stay housed and address the issues that led to their homelessness.
  - **Emergency Housing Special Needs Grants:** MSD provides a short term, 7-day, grant to help people with an urgent and immediate housing need meet the costs of short-term accommodation. These grants are primarily used by clients for motel accommodation
  - **Accommodation Supplement:** MSD provides a weekly payment to assist people who are not in public housing, with their rent, board or the cost of owning a home.
  - **Housing Support products:** A set of individual products that MSD provide which aim to address barriers to accessing or retaining housing by meeting needs not covered by other forms of assistance. Housing Support Products include the Bond Grant, Moving Assistance, Rent in Advance, and Tenancy Costs Cover.
30. Homelessness carries with it a range of complex and inter-related issues including mental health, substance abuse, and/or criminal history – drivers which are not HUD or MSD’s direct responsibility. It is, therefore, crucial that we work across government, with agencies including Corrections, Health, Oranga Tamariki and Te Puni Kōkiri, if we are to effectively prevent and address homelessness.
31. Given the complex nature of homelessness and its causes, we are taking an approach that works across traditional government agency and system boundaries.
32. We look forward to working with you on this.

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<sup>2</sup> Note that Annex 1 includes the Public Housing Dashboard from May 2019 for your information.

## **Improving housing affordability and the Government Build Programme**

*Objective: To revisit the Government Build Programme in light of housing affordability*

### **Context**

34. High housing costs are a key driver of poor housing outcomes.
35. House prices are increasing faster than incomes and few new affordable homes are being built. Rents are rising too. Declining home ownership has increased competition for rentals, increased rental stress, and in some areas homelessness. As a result, there is an underlying shortage of affordable homes for many New Zealanders who are looking to either rent or own.
36. While overall supply has not kept up with demand, the supply of affordable homes has been even lower. KiwiBuild was intended to fill this gap but has faced multiple challenges.
37. The Government has signalled a reset. We look forward to working with you on this.

## Government Policy Statement on Housing and Urban Development

*Objective: To put in place a legislatively mandated tool that helps provide direction to the housing and urban development system and sets out the long-term outcomes which Government is seeking.*

38. The Government Policy Statement (GPS) will articulate the Government's priorities, work programme and how this will improve the wellbeing of people in New Zealand. It will also provide direction to the housing and urban development sector, including specifically to Kāinga Ora – Homes and Communities.

39. The Kāinga Ora Bill (currently before the House) provides for the development of the GPS.

### *Relationship between the GPS and Kāinga Ora—Homes and Communities*

40. As a Crown agent, Kāinga Ora will be subject to the standard tools of Ministerial direction under the Crown Entities Act 2004. However, given the agency's broad scope and the level of change needed across the housing and urban development system, there is need for an additional tool that directs the agency and contextualises its work as part of a wider set of objectives.

41. Under the Kāinga Ora Bill, the Government would be required to publish a GPS which sets out:

- The Government's long-term vision for the housing and urban development system
- Shorter-term priorities that show how that vision would be achieved
- Further detail on how Kāinga Ora and other agencies are expected to contribute to the long-term vision
- The Government's expectations in relation to Māori interests, partnering with Māori, and protections for Māori interests.

42. Under the Kāinga Ora – Homes and Communities Bill, the first GPS is scheduled to be issued within a year of Kāinga Ora being established. This means that the first GPS will likely have to be published prior to May 2020.

43. We will be briefing you further on this work and look forward to working with you on next steps.

## Kāinga Ora—Homes and Communities Establishment

*Objective: To establish Kāinga Ora—Homes and Communities as a new Crown agent with two key roles: being a world class public housing landlord, and working in partnership to enable, facilitate, and deliver housing and urban development projects of all sizes.*

44. The Kāinga Ora—Homes and Communities Bill had its first reading on 29 May and is now before the Environment Committee for consideration. This Bill is tightly scoped to include only those matters needed to get Kāinga Ora up and running. It establishes Kāinga Ora on 1 October of this year.
45. The Bill will enable Kāinga Ora to manage public housing services and tenancies (as per HNZ's current role), and to lead and coordinate developments under existing processes and powers. This Bill places emphasis on ensuring that Māori interests are protected, and that Māori needs and aspirations in housing and urban development are supported.
46. The policy to support the second Bill (the **Urban Development Bill**) is being finalised with parts of the Bill being drafted concurrently ahead of planned introduction later in the year. This Bill will enable Kāinga Ora to undertake complex urban developments called specified development projects, and give it access to a range of powers that can enable development at scale and pace when used in tandem.
47. A Kāinga Ora Homes and Communities Establishment Board is overseeing the establishment project to ensure Kāinga Ora is ready to operate from 1 October 2019. In addition to the policy work and legislative programme for the two Bills, the Board has oversight of:
  - **Delivery integration:** This workstream is focused on maintaining urban development and house construction momentum by bringing together the capability across HNZ, HLC and the KiwiBuild Unit, principally in an Urban Development Group.
  - **Entity establishment:** This work is focused on the technical work to establish Kāinga Ora. This includes governance arrangements, organisational design, human resources, financial management, information technology and other systems, communications and change management.
48. We look forward to briefing you further on this work and how it is progressing.

### **Māori housing work programme**

*Objective: To address the broader housing system, its challenges and opportunities to develop a set of housing initiatives that accelerate wellbeing outcomes for Māori from a system-wide perspective.*

49. The intention is to take a system-wide view and approach to supporting Māori wellbeing and community development, from a localised perspective and kaupapa Māori/whānau-centred approach to housing.
50. With the work underway on both the system and structures that supports it, there is a unique opportunity to influence and ensure a kaupapa Māori or Treaty-lens is utilised to inform how outcomes are supported and accelerated for Māori.
51. Māori have been particularly hard hit by major increases in housing costs across the spectrum. Problems building and maintaining rural housing also disproportionately affect Māori.
52. There is a need for bespoke and Te Ao Māori centred responses – designed and delivered for and by Māori and to ensure that a Kaupapa Māori framework is at the heart of the approach to homelessness, for example, which is under development.
53. Living on whenua Māori fosters a sense of belonging and allows Māori to express their *tino rangatiratanga*. Facilitating building on Māori land enables improved access to healthy housing to support inter-generation connectivity and transmission of te ao Māori. Together these improve wellbeing through a connection to the whenua, language and knowledge to build stronger communities.
54. The Associate Minister (Māori Housing) is leading work on the Māori housing strategy, policy initiatives, and overseeing the Māori housing work programme that will be delivered by HUD, TPK (Māori Housing Network) and Kāinga Ora.
55. We look forward to providing further advice on these matters.

## **Section 4: Further information about the portfolios**

---

This section provides introductory material on the legislation and Vote structures associated with the Housing and Urban Development portfolios.

Note that both of these sets of information need to be updated once we have worked through the implications of separating the Housing and Urban Development portfolios. We will provide further advice to Ministers on this in the weeks ahead.

### Housing and Urban Development related legislation

The table below outlines the legislation relevant to the Housing and Urban Development portfolios. We will review the legislation (once delegations are confirmed) to advise on whether any reassignments of authority are required and if these need Prime Ministerial authority.

#### Legislation under development

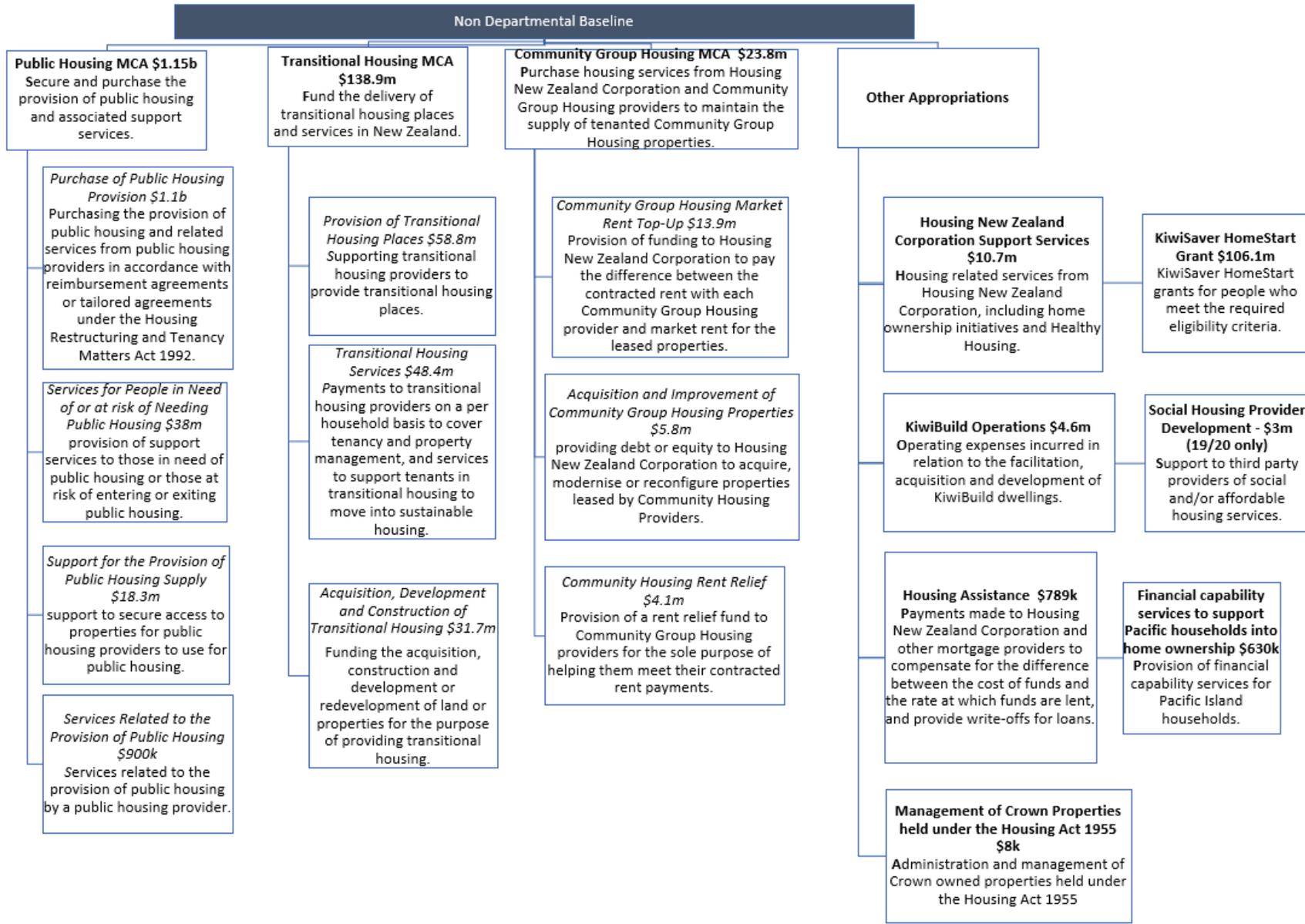
Act	Comment
Kāinga Ora – Homes and Communities Bill entity Bill for new Crown agent	At Environment Select Committee.
Urban Development Bill will provide Kāinga Ora with land assembly powers, and development powers to be used in Specified Development Projects	Bill currently being drafted for introduction later in 2019

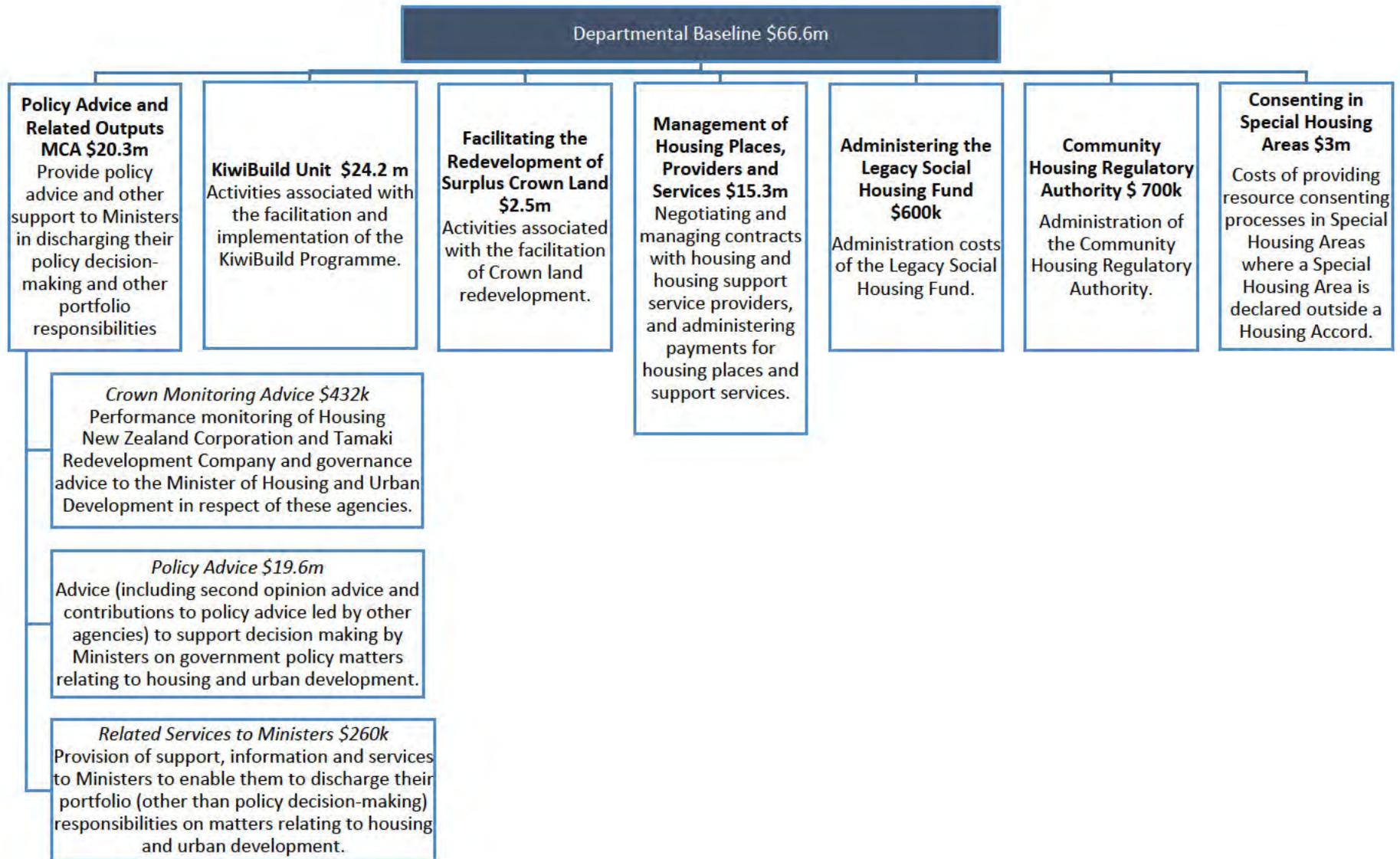
#### Legislation in place

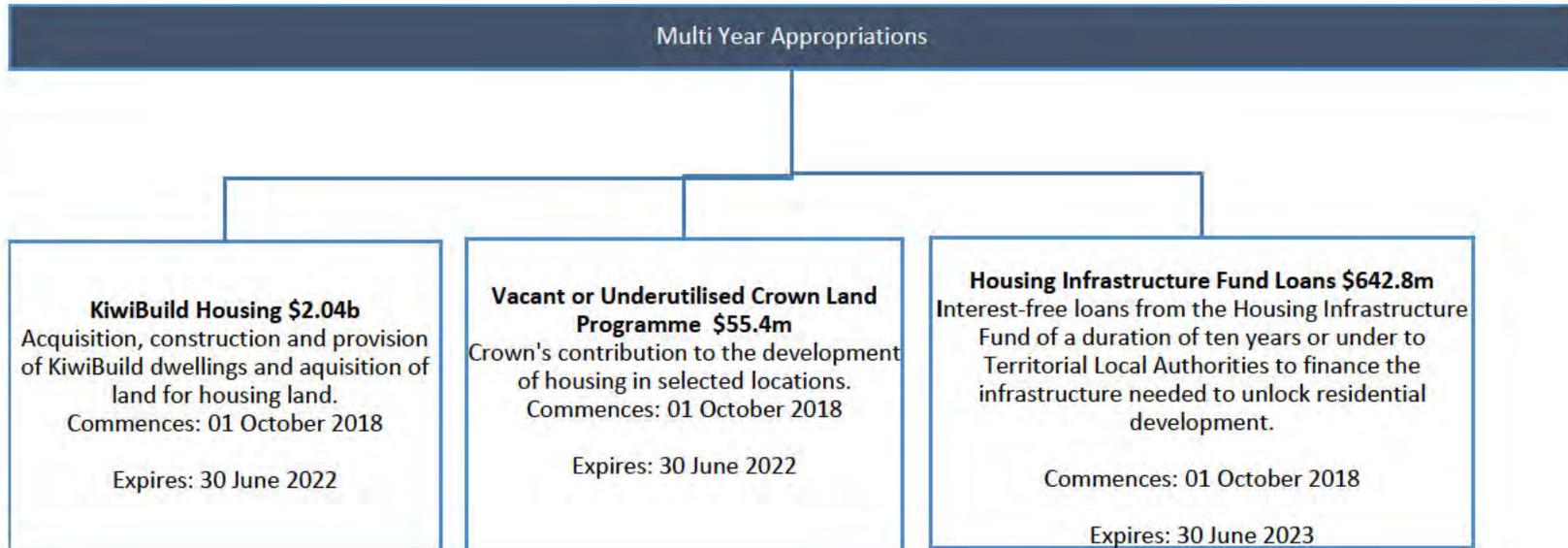
Act	Comment
Family Benefits (Home Ownership) Act 1986 – note: Family benefit is no longer paid so the Act is currently in abeyance	s 9(2)(f)(iv)
Home Ownership Savings Act 1974 note: No new home ownership accounts have been able to be opened since 1986	Act being repealed via Kāinga Ora Bill
Housing Act 1955 relates to state housing and land development	
Housing Accords and Special Housing Areas Act 2013 relates to housing development	Act expires on 16 Sept 2019, but some Special Housing Areas Orders still being worked on
Housing Corporation Act 1974 governs HNZC (alongside Crown Entities Act)	Act is being repealed by Kāinga Ora Bill

Act	Comment
<p><b>Housing Assets Transfer Act 1993</b></p> <p>relates to transfer of housing assets to Corporation</p>	
<p><b>Housing Restructuring and Tenancy Matters Act 1992</b></p> <p>MSD administers Parts relating to frontline assessment of housing need, allocation of social housing and payment of Income related rent subsidies.</p> <p>HUD enters into reimbursement agreements and tailored agreements to fund social housing under the Act, and acts as the Community Housing Regulatory Authority (which is part of HUD)</p>	<p>Act being renamed to Public Housing Management Act via the Kāinga Ora Bill</p>
<p><b>Residential Tenancies Act 1986</b></p> <p>regulates residential tenancies</p>	<p>There are also some Bills either before the House or in development that would amend this Act.</p>
<p><b>Retirement Villages Act 2003</b></p> <p>regulates retirement villages</p>	
<p><b>Riccarton Racecourse Development Enabling Act 2016</b></p> <p>relates to the development of housing on Riccarton Racecourse development land</p>	
<p><b>Riccarton Racecourse Act 2016</b></p> <p>relates to the development of housing on Riccarton Racecourse development land</p>	
<p><b>State Advances Corporation Act 1965</b></p> <p>defunct and all repealed apart from name protection</p>	<p>Being repealed by the Kāinga Ora Bill</p>
<p><b>Unit Titles Act 2010</b></p> <p>regulates unit title properties and developments</p>	
<p><b>Weathertight Homes Resolution Services Act 2006</b></p>	

**Information on Vote: Housing and Urban Development**







### **Appropriations under Vote Building and Construction**

Note that, in addition to Vote Housing and Urban Development, the Minister of Housing and Urban Development has been responsible for appropriations under Vote Building and Construction. These relate to:

- over \$38 million for providing services relating to performance and monitoring and Residential Tenancies and Unit Titles Service, and
- just under \$2 million to coordinate and provide temporary accommodation to people displaced by a civil emergency.

These appropriations allow the Ministry of Business, Innovation and Employment to provide key tenancy and unit titles-related regulatory services to the public as well as temporary accommodation services.

## Section 5: Further information about the Ministry

---

HUD was formed on 1 October 2018, and brought together functions from MBIE and MSD, along with the monitoring of HNZ and Tāmaki Redevelopment Company function from Treasury. In all, the Ministry currently has around 300 FTEs to cover its range of policy, operational monitoring and corporate functions.

Before the Ministry was established, no single government agency had responsibility for the leadership and performance of the housing and urban development system. The Ministry was created to take on this end to end system leadership role.

### What we do

HUD is the Government’s lead advisor on housing and urban development. We provide leadership across agencies to coordinate the social, economic and environmental aspects of housing and urban development.

We play a lead role in helping individuals, family and whānau have healthy, secure and affordable homes that meet their needs, within thriving communities that provide access to jobs, education, amenities and services.

At HUD, our intention is to create a platform for collective action across the system, informed by key principles. We will do this through actively pursuing a stewardship or kaitiakitanga role for the system. It is important we work collaboratively with communities, iwi, other government agencies, community groups, and the private sector.

### About Our Kaupapa

Our Kaupapa is the internal strategic framework we have designed for HUD, that influences the way we go about our work and enables us to be effective system leaders. It includes our purpose, principles and outcomes.

### Our Purpose

**Thriving communities where everyone has a place to call home** is the purpose of HUD and the reason why our people come to work everyday. This means that:

- we are focused not just on housing, but on communities where people can live, work and play
- we are seeking to achieve outcomes for everyone living in New Zealand, and
- we recognise that everyone needs and deserves a home
- we recognise that a home is not just a house – it is a place that is suitable, stable and secure, and provides a foundation for people to pursue their aspirations.

### Our Principles

We have five principles that together, provide us with a frame for ensuring that we consistently devote our effort to where it will have the greatest effect.

We think about the **long-term**; We think **system-wide**; We are **people centred**; We are **Treaty-anchored**; We are **whenua-based**

### Our outcomes

Our four high-level outcomes describe the impacts that we are seeking to deliver for New Zealanders.

Collectively our outcomes will help us track progress, refine our approach, and move our focus to where it's needed most.



Vibrant, flourishing communities



Affordable homes for every generation



Wellbeing through housing



A self adjusting system

### Key HUD contacts

The following people will be your key contacts at HUD:

<p><b>Andrew Crisp</b></p> 	<p><b>Chief Executive</b></p>	<p><b>E:</b> <a href="mailto:Andrew.Crisp@hud.govt.nz">Andrew.Crisp@hud.govt.nz</a>  <b>M:</b> s 9(2)(a)</p>
<p><b>Helen Potiki</b></p> 	<p><b>DCE, Office of the Chief Executive</b></p>	<p><b>E:</b> <a href="mailto:Helen.Potiki@hud.govt.nz">Helen.Potiki@hud.govt.nz</a>  <b>P:</b> +64 4 832 2554  <b>M:</b> s 9(2)(a)</p>
<p><b>Scott Gallacher</b></p> 	<p><b>DCE, Funding and Programme Delivery</b></p>	<p><b>E:</b> <a href="mailto:Scott.Gallacher@hud.govt.nz">Scott.Gallacher@hud.govt.nz</a>  <b>P:</b> +64 4 832 2486  <b>M:</b> s 9(2)(a)</p>

<p><b>Mark Sowden</b></p> 	<p><b>DCE, Housing and Urban Settings</b></p>	<p><b>E:</b> <a href="mailto:Mark.Sowden@hud.govt.nz">Mark.Sowden@hud.govt.nz</a>  <b>P:</b> +64 4 832 2556  <b>M:</b> s 9(2)(a)</p>
<p><b>Brad Ward</b></p> 	<p><b>DCE, Place-based Policy and Programmes</b></p>	<p><b>E:</b> <a href="mailto:Brad.Ward@hud.govt.nz">Brad.Ward@hud.govt.nz</a>  <b>P:</b> +64 4 831 6035  <b>M:</b> s 9(2)(a)</p>
<p><b>Stephanie Rowe</b></p> 	<p><b>DCE, System Performance</b></p>	<p><b>E:</b> <a href="mailto:Stephanie.Rowe@hud.govt.nz">Stephanie.Rowe@hud.govt.nz</a>  <b>P:</b> +64 4 832 2567  <b>M:</b> s 9(2)(a)</p>
<p><b>Kararaina Calcott-Cribb</b></p> 	<p><b>DCE Tumuaki, Te Kāhui Kāinga Ora</b></p>	<p><b>E:</b> <a href="mailto:Kararaina.Calcott-Cribb@hud.govt.nz">Kararaina.Calcott-Cribb@hud.govt.nz</a>  <b>P:</b> +64 4 832 2578  <b>M:</b> s 9(2)(a)</p>

A copy of HUD's Statement of Strategic Intentions 2019-2023 (published in February 2019) is attached to this briefing for your information (Annex 2).

**Annex 1: Public Housing Monthly Dashboard (May 2019)**

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# Public Housing Monthly Dashboard

## 1 Current supply

### Public housing places

IRRS places

**6,218**

CHP

**59,765**

HNZ

**= 65,983**

Total IRRS places

Market renters

**74**

CHP

**1,217**

HNZ

**= 1,291**

Total market renters

HNZC vacancies

**406**

HNZ short-term vacant

**675**

HNZ long-term vacant

**241**

HNZ other vacant

**67,274**

Total tenancies

171 more than last month  
1,656 more than 1 year ago

**1,322**

Total HNZ vacancies

19 more than last month  
124 more than 1 year ago

**68,596**

Total places

190 more than last month  
1,780 more than 1 year ago

Note: 'HNZ other vacant' includes houses pending sale, lease expiry or demolition.

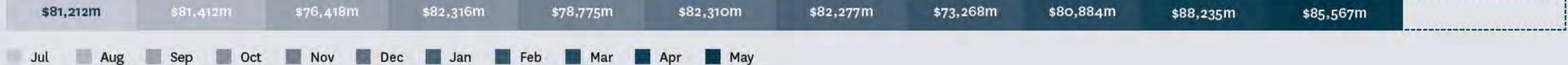
### Total places



### Spend (IRRS + OS)

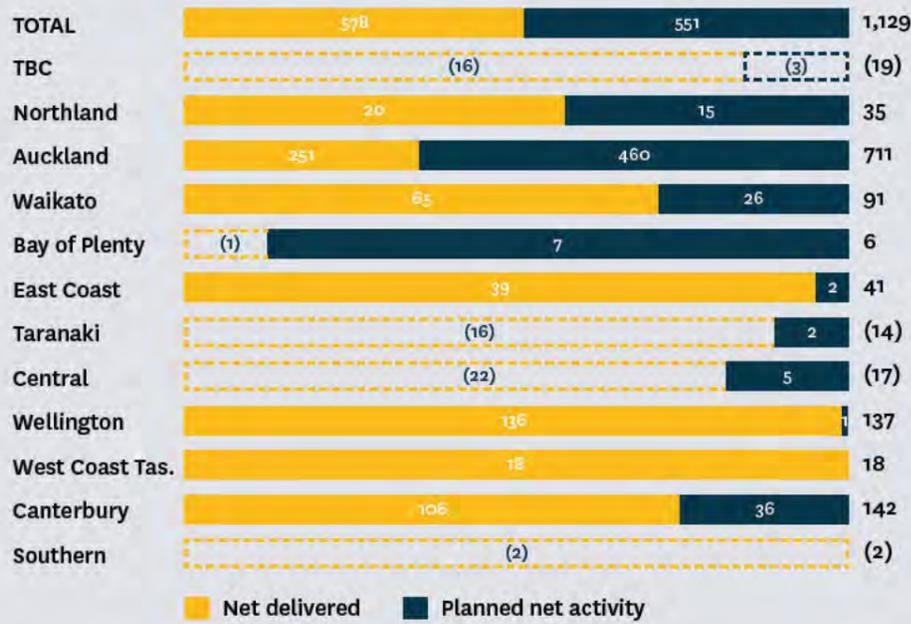
TOTAL \$892,674m BUDGET \$977,651m

Actual spend

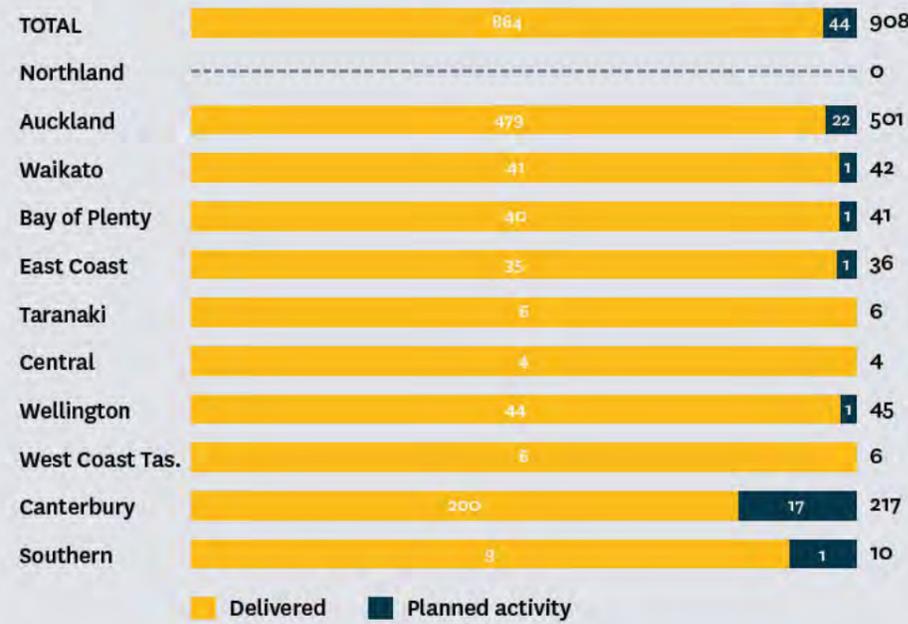


## 2 Future supply

### Housing New Zealand planned activity



### Community housing providers planned activity



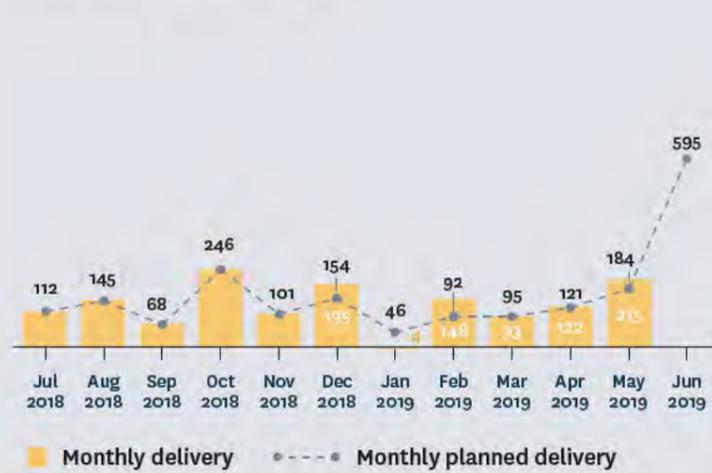
### Breakdown

CURRENT MONTH DELIVERED	HNZ		CHP		Total	
	Month	YTD	Month	YTD	Month	YTD
Redirects			68	727	68	727
New Build	129	785	137		129	922
New Leases		105			0	105
Buy in	83	367			83	367
Adjustments	6	(16)			6	(16)
SLED	(71)	(663)			(71)	(663)
<b>Total</b>	<b>147</b>	<b>578</b>	<b>68</b>	<b>864</b>	<b>215</b>	<b>1,442</b>

REMAINING PLANNED ACTIVITY	HNZ	CHP	Total
Redirects		37	37
New Build	617	7	624
New Leases			0
Buy in		35	35
Adjustments			0
SLED		(101)	(101)
<b>Total</b>	<b>551</b>	<b>44</b>	<b>595</b>

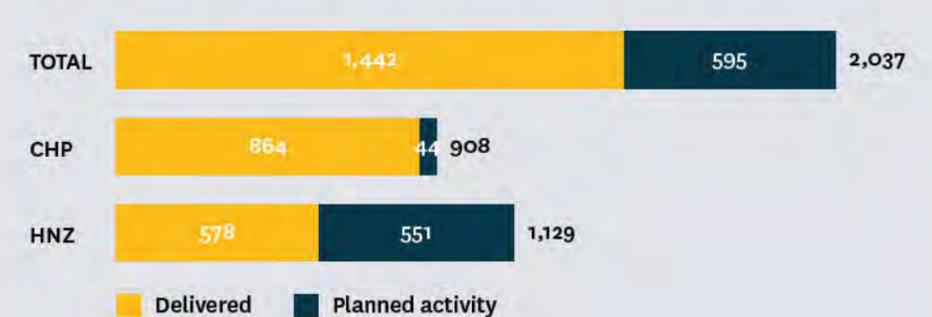
### Monthly activity



### Cumulative activity



### Summary of the progress towards 1,600 target



# Public Housing Monthly Dashboard

## 3 Current demand

### Applicants on the Housing Register

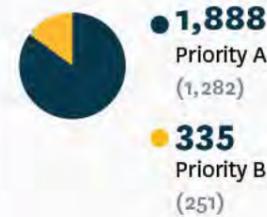
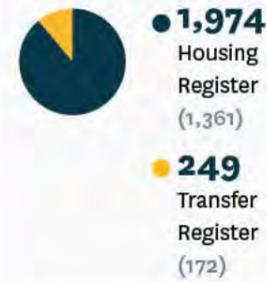


### Applicants on the Transfer Register



### Public housing overview

**2,223**  
Register new entries over May 2019  
(1,533 over April 2019)



**906**  
Register exits over May 2019  
(540 over April 2019)

**619**  
Applications housed over May 2019  
(451 over April 2019)

**589** (425)  
Housing Register

**30** (26)  
Transfer Register

**602** (431)  
Priority A applicants

**17** (20)  
Priority B applicants

**489** (353)  
housed in HNZ properties

**130** (98)  
housed in CHP properties

**126**  
Median time to house (days) over May 2019  
(126 over April 2019)

**120** (126)  
days

**218** (77)  
days

**127** (129)  
days\*

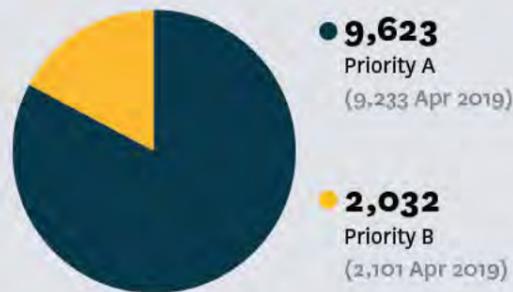
**103** (45)  
days\*

**141** (132)  
days

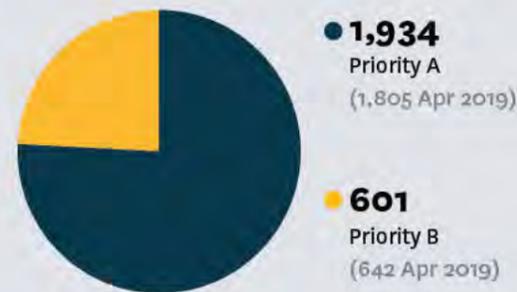
**77** (88)  
days

\* these are not BPS measures.

### Housing Register by priority



### Transfer Register by priority



**625**  
Tenancies ended over May 2019  
(517 over April 2019 which reasons were:)

**80** (118)  
Moved to private accommodation

**175** (246)  
Moved to new public housing tenancy

**10** (14)  
Moved to emergency housing

**171** (177)  
Change in household circumstances

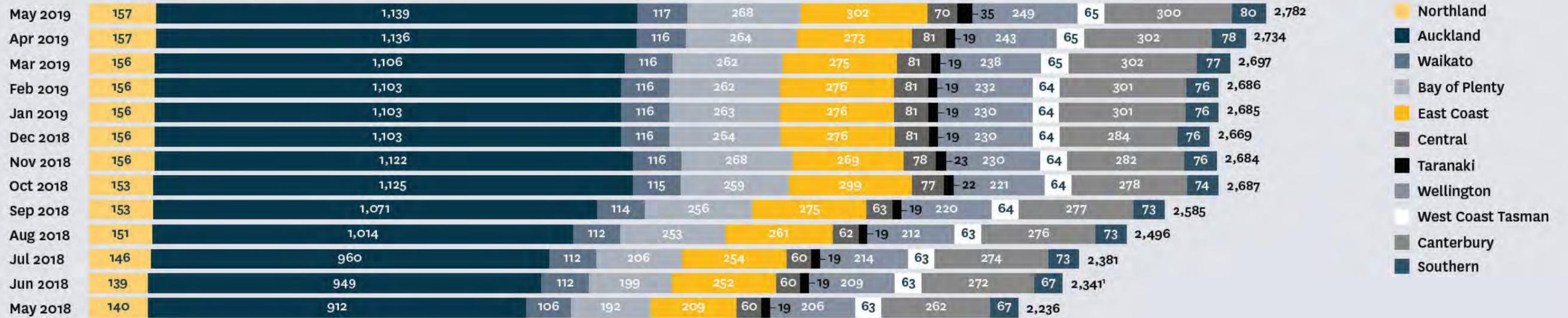
**2** (1)  
Moved as a result of a Tenancy Review

**79** (76)  
Unknown

Note: Tenancy exits reasons are behind by one month as the outcome is measured 28 days after the tenancy ended. Exit reasons are prioritised in the order they appear in the table. Change in household circumstances includes relationship changes, deceased, imprisonment, left NZ, entered residential care, or changes in living arrangements.

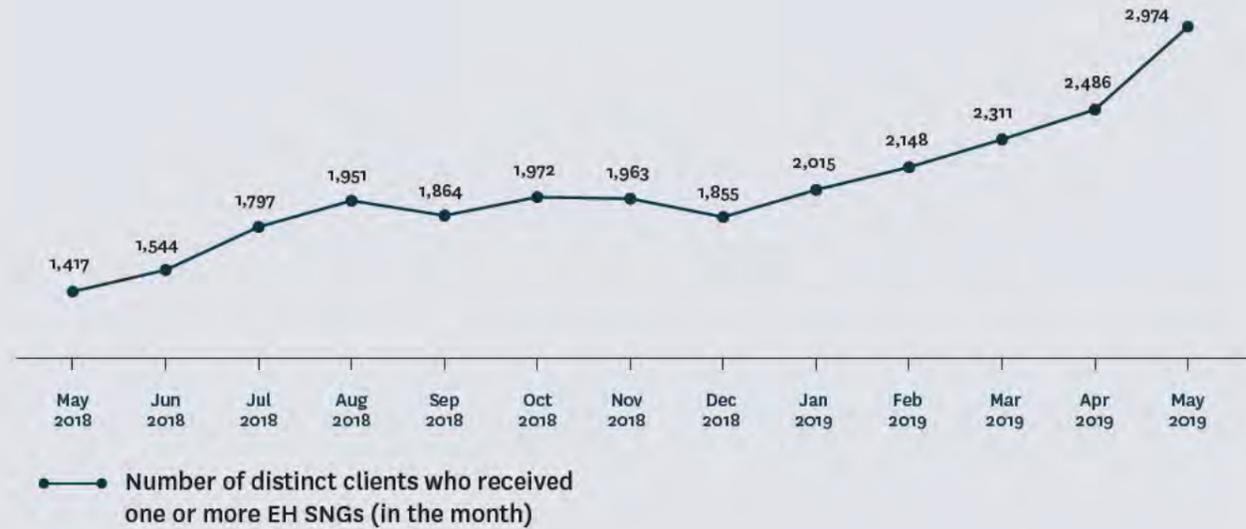
## 4 Transitional housing, grants and benefits

### Transitional housing places

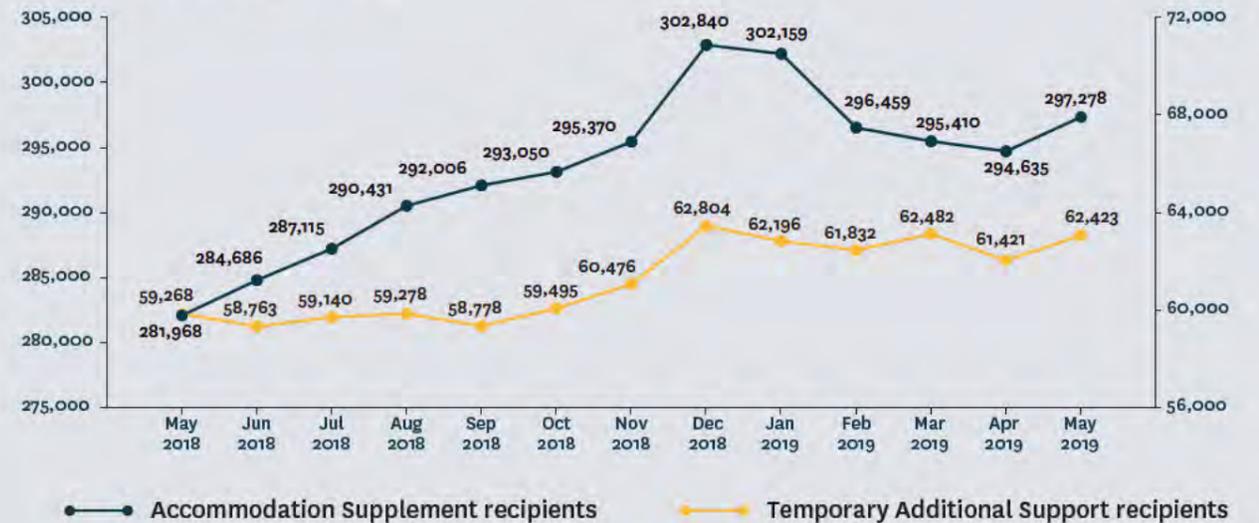


Note:  
1. The 105 places reflected here as brought on in the month of June include 32 additional transitional housing places that were not counted in the total May transitional housing numbers.

### Emergency Housing Special Needs Grant recipients



### Accommodation Supplement and Temporary Additional Support recipients



## 5 Housing First

### Households

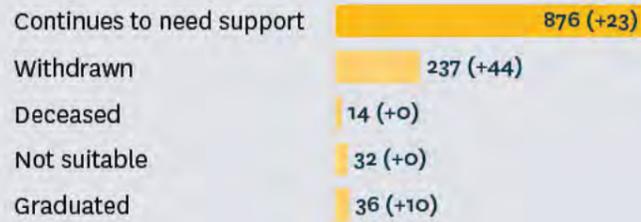


**1,195 (+77)**  
Households accepted into the service

**784 (+36)**  
Total housed

### Outcomes

This service has resulted in the following service outcomes:



### Currently engaged

Of the 876 currently in the programme:

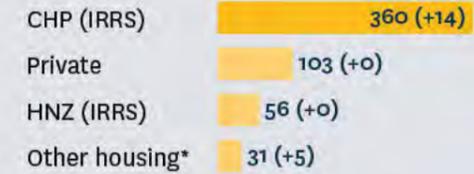
**550 (+19)**  
Housed

**326 (+4)**  
Not housed

### Currently housed

#### Type of housing

Those currently housed have been placed in the following:

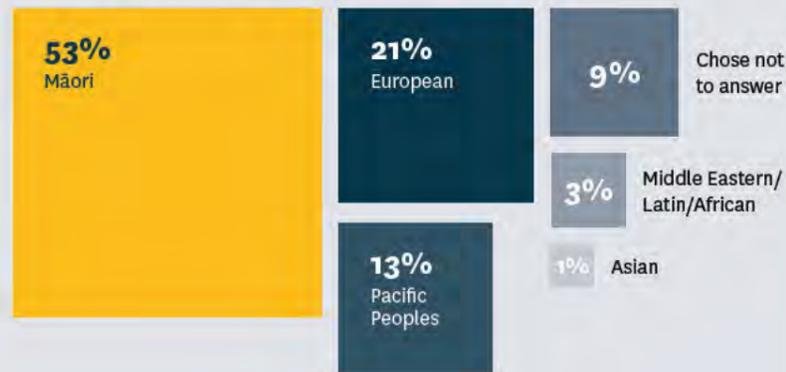


\* Person has secured accommodation with family members, friends, associates or peers.

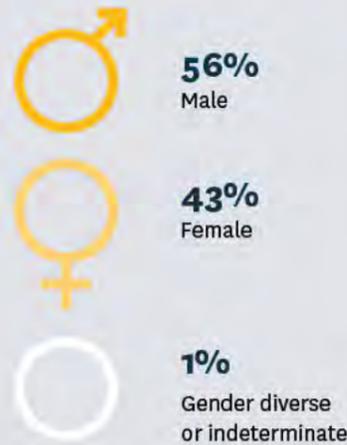
### Household characteristics

People in the programme have the following characteristics:

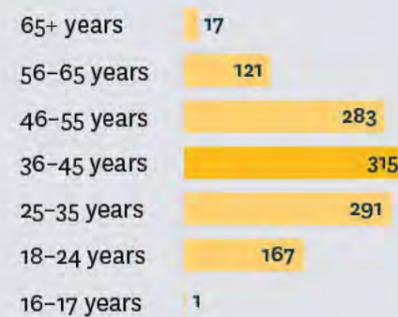
#### Primary ethnicity



#### Gender



#### Age group

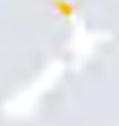
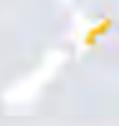


### Duration housed

Of the 545 currently housed, they have remained in housing for:



## 6 Regional overview

 <p>Northland</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved	 <p>Taranaki</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved
	<b>404</b> (-1)	<b>157</b> (o)	<b>143</b> (+63)		Applicants on the Transfer Register	<b>208</b> (+14)	<b>35</b> (+16)
	<b>77</b> (-2)	<b>2,063</b> (+7)	<b>77</b> (+35)		Applicants on the Transfer Register	Public housing tenancies	Distinct clients
					<b>32</b> (-3)	<b>1,236</b> (-2)	<b>37</b> (+9)
 <p>Auckland</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved	 <p>Wellington</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved
	<b>4,608</b> (+122)	<b>1,139</b> (+3)	<b>3,340</b> (+673)		Applicants on the Transfer Register	<b>1,271</b> (+42)	<b>249</b> (+6)
	<b>1,146</b> (+50)	<b>30,979</b> (+93)	<b>1,073</b> (+140)		Applicants on the Transfer Register	Public housing tenancies	Distinct clients
					<b>361</b> (+7)	<b>8,435</b> (-6)	<b>289</b> (+69)
 <p>Waikato</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved	 <p>West Coast Tasman</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved
	<b>1,064</b> (+61)	<b>117</b> (+1)	<b>1,250</b> (+276)		Applicants on the Transfer Register	<b>431</b> (+35)	<b>65</b> (+0)
	<b>209</b> (+23)	<b>4,432</b> (+14)	<b>397</b> (+67)		Applicants on the Transfer Register	Public housing tenancies	Distinct clients
					<b>73</b> (-4)	<b>1,451</b> (o)	<b>91</b> (+23)
 <p>Bay of Plenty</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved	 <p>Canterbury</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved
	<b>808</b> (+69)	<b>268</b> (+4)	<b>1,330</b> (+389)		Applicants on the Transfer Register	<b>1,037</b> (-42)	<b>300</b> (-2)
	<b>78</b> (o)	<b>2,680</b> (+5)	<b>403</b> (+47)		Applicants on the Transfer Register	Public housing tenancies	Distinct clients
					<b>273</b> (+18)	<b>7,753</b> (+48)	<b>236</b> (+23)
 <p>East Coast</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved	 <p>Southern</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved
	<b>873</b> (+5)	<b>302</b> (+29)	<b>661</b> (+169)		Applicants on the Transfer Register	<b>297</b> (+19)	<b>80</b> (+2)
	<b>131</b> (-3)	<b>4,080</b> (+15)	<b>238</b> (+64)		Applicants on the Transfer Register	Public housing tenancies	Distinct clients
					<b>37</b> (-1)	<b>1,845</b> (-2)	<b>66</b> (+8)
 <p>Central</p>	Applicants on the Housing Register	Transitional housing places	EH SNG approved	<p>Other/ unknown</p>	Applicants on the Housing Register	Public housing tenancies	EH SNG approved
	<b>646</b> (o)	<b>70</b> (-11)	<b>284</b> (+83)		Applicants on the Transfer Register	<b>8</b> (-3)	<b>61</b> (-1)
	<b>116</b> (+1)	<b>2,259</b> (o)	<b>108</b> (+22)				Distinct clients
							<b>0</b> (-1)

Note: These applicants have a primary address is not geo-coded and cannot be attributed to a specific TLA.

**Annex 2: Ministry of Housing and Urban Development Statement of Strategic Intentions 2019-2023**

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**MINISTRY OF HOUSING  
AND URBAN DEVELOPMENT**

# Statement of Strategic Intentions

2019–23

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Presented to the House of Representatives pursuant to Section 39 of the Public Finance Act 1989.

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Ministry of Housing and Urban Development  
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New Zealand Government





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## MINISTERIAL FOREWORD

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**Our Government is passionate about housing – we believe that every New Zealander should have a healthy, safe and affordable home.**

The national housing crisis has hurt too many of our people. From families forced to live in cars with their kids because they can't afford the rent, to kids suffering from respiratory diseases from damp, mouldy rental homes, to the generation locked out of home ownership by skyrocketing house prices. The impact on children's health and education from transience and substandard housing can have life-long repercussions.

For years now housing has been split across government agencies, resulting in a fragmented policy approach – and patchy outcomes. New Zealand needs one single, strong organisation to lead housing across the public sector. That is why we have established the Ministry of Housing and Urban Development.

Our Government has a bold and comprehensive plan to reform the housing sector – and the new Ministry will drive this agenda. We are making the systems and structural changes we need to build our way out of the housing crisis. We know housing is a driver of economic wellbeing and security, mental health and social outcomes. Understanding this, and working to improve wellbeing, will be a crucial part of the Ministry of Housing and Urban Development's work.

One of New Zealand's strengths is the wide variety of community organisations, local councils, developers, builders, academics and commentators who care deeply about ensuring every New Zealander has a warm, dry and secure home. I want the Ministry to be outward facing, drawing on their knowledge and sharing ideas with the housing community.

The Ministry will have an important role establishing and monitoring the Housing and Urban Development Authority. The Authority will speed up the building of more homes by cutting through red tape to master plan large urban developments in areas such as Unitec in Auckland's Mt Albert and Porirua East in Wellington. These new developments will have a mix of public and community housing, affordable KiwiBuild homes and open market homes for both ownership and rental. Such integrated developments are essential if we want to build inclusive, thriving communities.

The Ministry will be developing new ways to finance the new infrastructure needed to build new houses. Our Urban Growth Agenda is focused on reducing the cost drivers for housing, preparing our urban areas for future growth, and reducing the cost of land and houses in our major centres.

The Ministry will be at the forefront of our Government's commitment to end homelessness, reduce child poverty and improve the wellbeing of all our people.

While we have huge challenges ahead to solve New Zealand's deep-seated housing problems, it is also a time of huge opportunity. We have urgent work ahead of us to make housing affordable and cities more liveable. The new Ministry, using the expertise and skills of its people, will be at the very forefront of this work.

## MINISTERIAL STATEMENT OF RESPONSIBILITY

I am satisfied that the information on strategic intentions provided by the Ministry of Housing and Urban Development is consistent with the policies and performance expectations of the Government.

**Hon Phil Twyford**  
Minister of Housing and Urban Development  
February 2019



## CHIEF EXECUTIVE FOREWORD

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**Tenā koutou.** The Ministry of Housing and Urban Development was formed on 1 October 2018 to provide everyone in New Zealand with healthy, secure and affordable homes that meet their needs, within thriving communities that provide access to jobs, education, amenities and services. We have incorporated these concepts into our purpose statement as an agency: “thriving communities where everyone has a place to call home”.

Some New Zealand cities are among the least affordable to live in internationally. At the same time, the public housing register has more than doubled in the past two years, and more people are homeless or need government help to have a place to live. Māori and Pasifika are disproportionately affected. As New Zealand’s population continues to grow, infrastructure and transport links are critical to deliver more affordable, higher density housing. Without change, we will struggle to maintain our standard of living.

These issues are complex. To create the communities that we want to exist now and in the future, we need to do things differently from the past. This will sometimes be challenging.

Before the Ministry of Housing and Urban Development was established, no one government agency had responsibility for the leadership and performance of the housing and urban development system. The Ministry was created to take on this end to end system leadership role.

The system is not just about the regulations, controls or operations of government. The system encompasses all of the participants, relationships and incentives that support and drive housing and urban development in New Zealand. The Ministry of Housing and Urban Development’s focus is on effecting change with and through the system.

Our intention is to create a platform for collective action across the system, informed by key principles. It is important we work collaboratively with communities, iwi, other government agencies, community groups, and the private sector. We must listen to communities, understand what they want and need, and design solutions together.

We need to act with a sense of urgency: we have an ambitious work programme to deliver in the short-term to address real needs now, as well as progressing fundamental system reforms in the medium term, so our cities and communities can grow well over time.

As an organisation that is only five months old, we have made solid progress in delivering on the Government’s housing and urban development priorities, building on work done by our predecessor agencies. Alongside this, we have developed our initial organisational strategy: we have agreed our purpose as an organisation and have identified four high-level outcomes to guide our work. These are presented in this initial statement of strategic intentions, and we will refine them over time.

We have an opportunity to work with others to make a massive difference to issues fundamental to our society. We are committed to doing so, and supporting others to do the same.

Nāku noa, nā

## CHIEF EXECUTIVE’S STATEMENT OF RESPONSIBILITY

In signing this information, I acknowledge that I am responsible for the information on strategic intentions provided by the Ministry of Housing and Urban Development. This information has been prepared in accordance with sections 38 and 40 of the Public Finance Act 1989.

**Andrew Crisp** | Chief Executive  
Ministry of Housing and Urban Development  
February 2019

## Foundation Statement

As a new agency, operational from 1 October 2018, we have developed our initial organisational strategy to underpin our work. This foundation statement of strategic intentions reflects this initial strategy, which we will refine and refresh over time.

A priority for 2019 will be undertaking future-focused work with partners and stakeholders, to identify New Zealand's future housing and urban development needs and our role in addressing these. We will then refresh our organisational strategy and strategic intentions for the remainder of the four-year period.





## WHY HOUSING AND URBAN DEVELOPMENT MATTERS FOR NEW ZEALAND

Housing is a precondition for people to be able to live healthy, prosperous lives. Access to suitable and affordable housing is an important factor in the overall wellbeing of individuals, families and communities — it affects physical and mental health, education, employment and incomes, social cohesion and intergenerational mobility. These outcomes also affect communities, broader society and the functioning of the economy.

In New Zealand cities, housing is an integral part of a broader urban system that encompasses infrastructure, transport options, green spaces, and access to jobs and to services. To attract and retain skilled workers, and to be competitive, cities need to provide housing choices that meet people's needs and preferences for how they want to live, work and play, at different stages of their lives. At the same time, cities need to balance different uses for productive land, and the effects of growth on the environment. Ultimately, how our cities perform affects the living standards of everyone in New Zealand.

New Zealand towns and rural areas also face a range of challenges, including housing quality, declining and changing populations, resilience against climate change, and funding of infrastructure. Regional economic development, housing and community wellbeing are closely linked.

Housing is the major asset owned by many families, and underpins retirement savings and wealth accumulation for a large proportion of society. The relative attractiveness of housing, compared with other investments, affects the performance of New Zealand's capital markets, the levels of investment in and performance of the productive and tradeable sectors, and overall productivity and wealth generation.

## OUR HOUSING MARKET AND URBAN CENTRES ARE PERFORMING POORLY, WITH SIGNIFICANT SOCIAL IMPACTS

The poor performance of New Zealand's housing market is well recognised. In Auckland and other high-growth centres, not enough houses are being built to meet the demand from strong population growth, investment preferences and other factors. The houses that are built have steadily increased in size, despite decreasing household sizes, and are often not close to well-functioning public transport and amenities.

The mismatch between supply and demand has been a long-running trend over recent decades, leading to the urban development failure New Zealand faces today. In addition, much of New Zealand's existing housing stock is old, cold and damp, particularly in the private rental market. Poor quality housing has ongoing impacts on physical and mental health for families and individuals.

The under-supply of housing, driven by uncompetitive land markets, and high infrastructure, development, and building costs, is contributing to high house prices relative to income. This has led to:

- › increasing rates of homelessness
- › declining home ownership (particularly for Māori and Pasifika)
- › increasing rents and a shortage of rental properties in urban centres
- › an increasing need for government housing assistance.

High housing costs transfer wealth from younger and less wealthy people to existing homeowners and investors, who are generally richer and older. This restricts access to opportunity for younger and future generations.

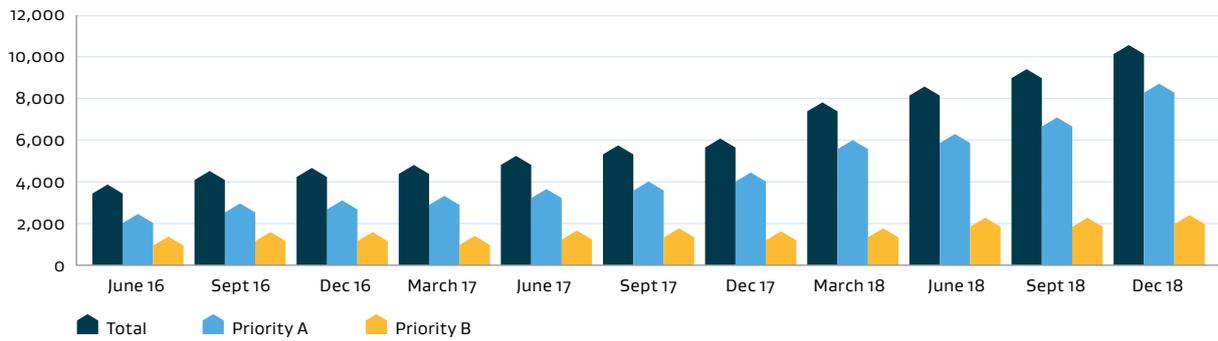
High housing costs also have significant social impacts including increased overcrowding and homelessness, and insufficient income to pay for food and other essentials. Housing costs have been a key driver of increased need for hardship assistance from government. Over time, inadequate housing can have cumulative impacts on physical and mental health, and on education and labour market outcomes. Addressing housing costs, availability and quality will be an important part of Government's commitments to end homelessness, reduce child poverty, and improve wellbeing of children and young people in New Zealand.

Māori and Pasifika are disproportionately affected by inadequate housing, with impacts across generations. More than half of those in severe housing deprivation identify as Māori or Pasifika.

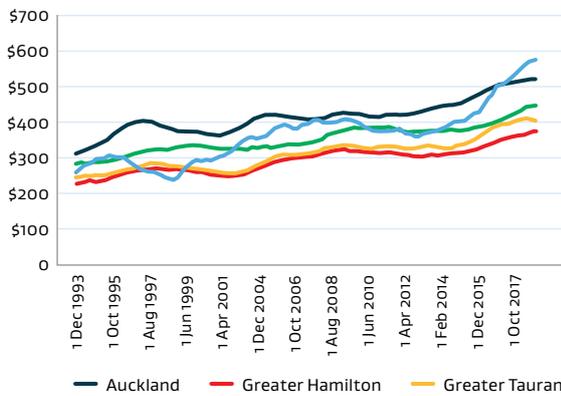
Māori face particular constraints on developing their land to realise their aspirations, including for papakainga housing. Pasifika households experience high rates of overcrowding (with related health risks), have lower median income than other groups, and can face challenges accessing housing suitable for large or multigenerational households.

New Zealand's economic performance and productivity are also affected by high housing costs and poor urban environments: it becomes harder for people to move to find employment and for employers to attract people with the skills they need. This reduces the scope of potential benefits arising from our urban areas, and also makes it difficult to resource important public services, such as schools and health care, in major cities.

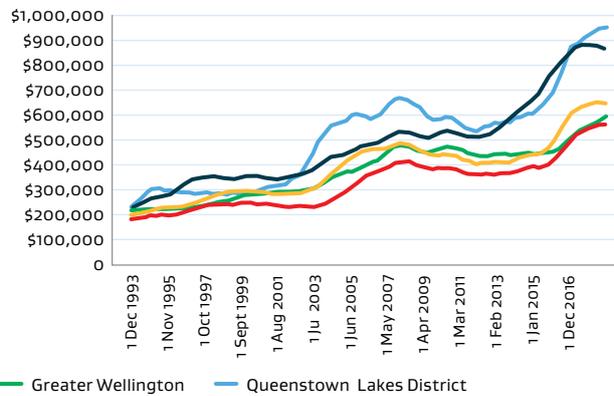
### Households on public housing register, by priority (excluding transfer register)



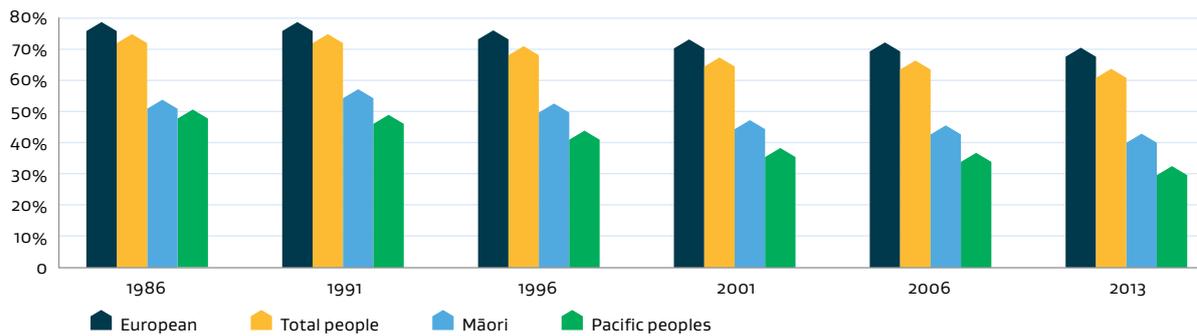
### 12-month rolling dwelling rents (weekly, inflation-adjusted)



### 12-month rolling dwelling sales prices (inflation adjusted)



### Home ownership rates by selected ethnic origin 1986–2013



## HOUSING AND URBAN DEVELOPMENT IS PART OF A COMPLEX SYSTEM

New Zealand’s poor performing housing market and urban centres, and the flow on social impacts, are a consequence of a system that is not meeting New Zealanders’ needs. The system is not just about the regulations, controls or operations of central government, it is much wider than this.

The system encompasses all of the participants, relationships and incentives that support and drive housing and urban development in New Zealand. It includes private sector players such as developers, the construction sector, financial institutions, and landlords, alongside iwi, local government, not-for-profit organisations which provide housing or social services, and every New Zealand household and property owner.

To bring about enduring, positive change, the policy, regulatory, investment, and institutional settings that underpin housing and urban development need to perform much better as a system. For example, landowners and the development sector will not unlock new urban land, or realise urban redevelopment opportunities without regulatory and investment settings that encourage action and discourage speculation.

This means we need to consider how all of the components that underpin the housing and urban development system work and interact. We need to find ways of improving the performance of each component and of the system as a whole. In some cases, this will mean a fundamental change in approach, such as moving to much greater off-site manufacturing of houses, or a more holistic approach to mental health services and housing provision.

The diagram below shows elements of this system. To be effective the Ministry of Housing and Urban Development will need to put the system at the centre of our thinking.



## TO CHANGE NEW ZEALAND’S FUTURE, WE WILL NEED TO TAKE A DIFFERENT APPROACH

The status quo has created a combination of immediate and urgent problems (such as homelessness) as well as long-term, deep-seated problems that are fundamentally about how New Zealand grows over time.

New Zealand’s population is projected to continue increasing, from around 4.9 million in 2018 to over 6 million in 2043, significantly through migration. Auckland’s population is projected to increase by nearly a third over the same period, from around 1.6 million to 2.1 million. This is equivalent to building a new city the size of Christchurch within Auckland.

If the status quo continues, more and more individuals and families will not be able to access affordable housing that meets their needs, and is close to transport and high-quality services. This will have a significant and detrimental effect on New Zealanders’ standard of living, rates of inequality, and the opportunities available to our children and grandchildren.

The challenges New Zealand faces in housing and urban development will take years to resolve. Successful solutions will need to balance the present interests of local communities with those of future generations. It is critical we act decisively and with a sense of urgency now to set change in motion, to encourage difficult public conversations about tradeoffs, equity and decision rights, and to create a better future for New Zealand. The communities which New Zealanders experience in 20 years' time will be determined by our decisions and actions now.

## THE MINISTRY OF HOUSING AND URBAN DEVELOPMENT WAS ESTABLISHED TO PROVIDE SYSTEM LEADERSHIP

The Ministry of Housing and Urban Development was established to bring together fragmented responsibilities and resourcing, and provide leadership and a single point of accountability for housing and urban development within central government.

We have overall responsibility for the performance of the housing and urban development system. While we have some direct levers, many others continue to sit with other central government agencies and players beyond central government. Page 13 shows the agencies and players we need to work closely with.

The Ministry was legally established as a public service department from 1 August 2018, and has been operational since 1 October 2018. It combines housing and urban development capability and functions from the Ministry of Business, Innovation and Employment, the Ministry of Social Development and the Treasury. The functions of the Ministry are outlined on page 12.

## TO BE EFFECTIVE, WE NEED TO UNDERSTAND OUR ROLE WITHIN THE SYSTEM

We see our leadership role as having two dimensions, with strong links between them: **shaping a platform for change**, and being **responsible for stewardship/kaitiakitanga** of the housing and urban development system over the long-term.

### Shaping a platform for change

We shape a platform for public, private and community action, to achieve the housing and thriving communities that New Zealanders need now and in the future. As well as delivering and procuring directly, we need to set the strategy and direction, inspire others and provide tools, levers, investment and information to support their actions. We need to think and act regionally and locally, as well as nationally.

Our actions to do this will include continuing to develop key partnerships (for example with local government), and delivering the Urban Growth Agenda system reforms to enable better urban planning and competitive land markets. We will also continue to work urgently with community providers and groups to deliver more public housing, and to reduce homelessness. We are already working with a range of iwi and Māori groups to develop joint initiatives to increase Māori home ownership.

### Stewardship/kaitiakitanga

We are responsible for system stewardship, working closely with significant partners. This means looking beyond the immediate issues and government priorities to also consider future challenges and opportunities for New Zealand, and plan for future consequences. We need to understand how each component of the housing and urban development system is performing over time, where the interdependencies are, and what different groups of New Zealanders are experiencing.

Discharging our system stewardship/kaitiakitanga responsibilities will include developing a sector strategy, and ensuring the right institutional and governance arrangements are in place to support the housing and urban development system to function better. We will also engage widely to understand different perspectives, with the aim of building a broad consensus on future direction, to underpin change that will endure.

## WE ALSO NEED TO BE CLEAR ABOUT OUR APPROACH

We have developed some principles to guide us as an organisation and inform how we think about solutions and problems. These principles are important to ensure that, across all groups within the Ministry, we consistently devote our effort to where it will have the greatest effect and where we can leverage the efforts of others within the system.

Principle	Application
<b>Long-term</b>	<p>Long term, sustainable changes and solutions that ‘stick’ are key to addressing the system breakdown that has occurred over a long period of time. Quick fixes will not last.</p> <p><i>This principle is important to ensure that we focus beyond just the immediate issues and short-term solutions. We need to create the fence at the top of the cliff, not just the ambulance at the bottom.</i></p>
<b>System-wide</b>	<p>We work to understand the complex interdependencies that housing and urban development sits within. We enable the system to solve problems through partnerships and coalitions that work across the system and reduce friction between agencies. This makes it easier for the system to self-manage.</p> <p><i>This is important to ensure that we do not create perverse or unintended outcomes, unnecessarily duplicate the work of others, or miss important opportunities. We will build evidence and a knowledge base across the system, that informs all our work.</i></p>
<b>People-centred</b>	<p>People’s wellbeing and aspirations are at the centre of everything we do.</p> <p><i>This means when we design policies and services, we start with the people who will be affected. It also means taking care of those in immediate need.</i></p>
<b>Treaty-anchored</b>	<p>Being a genuine Treaty of Waitangi partner is a core part of who we are, how we think and how we act. We partner with whānau, hapū, iwi and other Māori entities in order to achieve their aspirations.</p> <p><i>As part of the Crown we are charged with operating as a Treaty partner and ensuring the aspirations of whānau, hapu and iwi are enabled. Currently, Māori experience significantly worse housing outcomes than other groups. If we improve outcomes for Māori, we will improve them for all other system participants. All our people need the capability and confidence to build effective relationships with Māori and fulfil our obligations as a Treaty partner.</i></p>
<b>Whenua-based</b>	<p>We recognise the importance of people’s deep connections to land and community, and that identity arises from place. We respect mana whenua. We understand the need for place-based and locally owned solutions.</p> <p><i>This means we take into account that Māori identity arises from a relationship with the land, and that effective solutions must respect place-based needs. It reminds us to recognise the intergenerational, cultural, spiritual and emotional dimensions of housing and urban development, as well as the economic and social. We need to think locally as well as nationally.</i></p>

## » CASE STUDY

# HOUSING FIRST

Housing First is an example of our approach in action. Housing First is a collective response to homelessness in a community. It offers people immediate access to housing and then wraps around tailored support for as long as needed, to help people remain housed, and address the issues that led to their homelessness.

Our role in Housing First is to bring together local health and social service providers, housing providers, local government, iwi, and other agencies to start a conversation and develop a community response to homelessness. No Housing First collective or programme is the same because no community or region is the same. We facilitate the development of a fit-for-purpose community programme around a series of core Housing First principles.

The Ministry of Housing and Urban Development currently funds Housing First programmes across New Zealand including in Auckland, Christchurch, Tauranga, Hamilton and Rotorua, and is working to establish the programme in several other regions.

There is a genuine partnership approach to delivering Housing First with a focus on collective impact. The Ministry brings together local providers to work together with their different strengths and expertise to resolve homelessness, with a long-term, people-centred and whenua-based approach. As with most collaborative work, it is not always easy.

In Rotorua, it was important to balance the skills of experienced providers who could act quickly, with the desire of a community seeking an iwi-led and kaupapa Māori initiative. Collectively we navigated the conversation, and the programme – a partnership of LinkPeople, Lifewise and Taumata o Ngāti Whakaue Trust was launched on 10 October 2018, World Homelessness Day.

## A RANGE OF FUNCTIONS SUPPORT OUR ROLE

To catalyse change and provide stewardship across the housing and urban development system, we have six key functions, as set out below. There are close links between these functions.

### **System leadership and strategy**

System leadership and stewardship is a key dimension of our role. To do this, we work in collaboration with communities, other government agencies, iwi, and the not-for-profit and private sectors, to set system strategy and implement work programmes to deliver on that strategy. We enable and empower others to find solutions and succeed.

### **Policy advice**

We provide the Government with strategic policy advice, to improve New Zealand's housing and urban development outcomes.

### **Monitoring system performance**

We are responsible for the stewardship of New Zealand's housing market and the performance of New Zealand's cities. We monitor and report on the performance of the system, so that we understand the success of interventions and can target resources and efforts to where the system most needs them.

We monitor the performance of Housing New Zealand and Tāmaki Regeneration Company, and we will monitor the Housing and Urban Development Authority once it is established.

### **Insights and data**

We use insights and data to provide the evidence base that underpins our policy advice. We track how the system is performing and share our evidence and insights with other system participants, to enable them to make informed decisions.

### **Purchasing**

We fund and partner in initiatives across the housing sector, to deliver more public and transitional housing and services to tackle homelessness. This includes working with Housing New Zealand, Community Housing Providers, developers, social service providers, local government and others.

We are also working with developers to deliver the KiwiBuild programme to provide eligible first home buyers with access to fixed-price modest starter homes. (Note that the KiwiBuild Unit within the Ministry will move to the new Housing and Urban Development Authority, once it is established).

### **Regulatory oversight**

We register Community Housing Providers to provide a platform of common standards and requirements.

## AS A SYSTEM LEADER, WE WORK CLOSELY WITH OTHERS

We need to work closely with various partners across and beyond the housing and urban sector. The table below shows some of these partners and how we will work with them.

### GOVERNMENT AGENCIES



Housing New Zealand provides public housing to eligible people with high housing need, and administers government products to support home ownership. HNZ mixed tenure developments also contribute to KiwiBuild delivery.



MfE has a role in urban planning and environmental management, providing a system wide perspective with the goal of creating sustainable, liveable cities.



MoT works to shape liveable cities with mode neutral, integrated and connected transport choices.



HUD and Te Puni Kōkiri work closely together to improve the quality and supply of housing for Māori, and to support iwi and rūpū Māori in their housing initiatives and aspirations. This includes brokering partnerships between iwi and KiwiBuild.



DIA advises on the role local government can play in the pursuit of better urban development integrated with smarter transport and infrastructure investment.



Treasury advises on the housing market, including funding, and housing related tax settings. Treasury also advises on institutional settings that support infrastructure investment decision making, and is responsible for establishing the new independent infrastructure entity.



MSD manages all applications for public housing, assesses housing need, administers income related rents for public housing tenants, delivers other social services, and provides accommodation support to people in need living in the private rental market.



MBIE Tenancy Services provides information and resources to help tenants and landlords. MBIE is also the building regulator as well as providing advice on building legislation and regulation.



There is a strong relationship between access to secure, affordable, warm and dry housing and physical and mental health outcomes for adults and children.



TRC works in partnership with residents and businesses, mana whenua, local and central government agencies, local service providers and the private sector to provide a platform for successful regeneration in Tāmaki.

### HOUSING AND URBAN DEVELOPMENT AUTHORITY

Once established, the Authority will be responsible for leading urban development projects, both large and small, and managing public housing. HUDA will be the lead developer and drive delivery of KiwiBuild homes.

### NEW INFRASTRUCTURE ENTITY

The new infrastructure entity will help plan investment and improve how infrastructure is coordinated and planned.

### LOCAL AUTHORITY, COMMUNITY AND PRIVATE SECTOR

#### MĀORI/IWI

To improve housing opportunities for Māori we are partnering with Māori, iwi and hapū groups, post settlement governance entities, Māori land trusts and incorporations and urban Māori authorities to provide housing services and to deliver the KiwiBuild programme.

#### COMMUNITY HOUSING PROVIDERS (CHPs)

CHPs are housing providers that have as one of their objectives the provision of public housing and/or affordable housing. We work with CHPs to grow the sector and we are responsible for registering and regulating CHPs which provide public housing.

#### PRIVATE DEVELOPERS

We work with private developers to deliver KiwiBuild housing, through de-risking suitable developments, on selling land for housing and undertaking major redevelopment projects.

#### LOCAL GOVERNMENT

Local authorities (local, unitary and regional) have a number of key roles, including regulation, (eg. building consents), funding (eg. transport infrastructure), service provision and responsibility for spatial planning exercises.

### MONITORING

#### Housing New Zealand and Tāmaki Regeneration Company

Under the Crown Entities Act 2004 we are responsible for monitoring HNZ and TRC.

#### Housing and Urban Development Authority

When it is established we will be responsible for monitoring the Housing and Urban Development Authority.



## STRATEGIC INTENTIONS

This section outlines our initial strategic intentions for the next four years. As a new agency, we will refine these over time.

Our strategic intentions have been informed by our stewardship and system leadership role, as well as the Government's eight priorities for housing and urban development in New Zealand. Various agencies contribute to these priorities, not only the Ministry of Housing and Urban Development.

### THE GOVERNMENT'S PRIORITIES ARE:

1. building affordable housing through KiwiBuild, to support the creation of thriving, sustainable communities that provide housing choices to meet a wide range of needs
2. establishing an urban development agency with the appropriate tools, so New Zealand cities can make room for growth
3. increasing public housing supply
4. ending homelessness, supported by additional investment in transitional housing and Housing First
5. progressing the Urban Growth Agenda, to drive changes to the urban land and infrastructure planning systems
6. modernising the residential tenancy rules to enable greater security of tenure and better reflect the contemporary housing market
7. achieving equitable housing outcomes for Māori, with an immediate focus on addressing barriers to building on Māori land, ensuring Māori benefit from KiwiBuild, and improving rural and substandard housing. Other groups with poor housing outcomes, such as Pacific peoples and people with disabilities, will also be a focus
8. managing demand for housing through changes to tax settings and rules on foreign ownership of residential property.



## OUR PURPOSE AND HIGH LEVEL OUTCOMES

As a new ministry, one of our first priorities was to establish our guiding purpose, and how we will measure success.

*The purpose of our organisation and the reason why our people come to work every day is because we want to create “thriving communities where everyone has a place to call home.”*

This means that:

- › we are focusing not just on housing, but on communities where people can live, work and play
- › we are seeking to achieve outcomes for everyone living in New Zealand, and we recognise that everyone needs and deserves a home
- › we recognise that a home is not just a house – it is a place that is suitable, stable and secure, and provides a foundation for people to pursue their aspirations.

We know this is an ambitious goal, and we will need to enable and drive fundamental shifts in the housing and urban development system to achieve it. So we can track our progress, refine our approach and move our focus to where it is most needed, we have established four high-level outcomes. Testing everything we do against these outcomes will help us manage unintended consequences.

The table below shows our high-level outcomes, as well as the intermediate outcomes which will show we are on track. Because we need to consider the whole system, the intermediate outcomes are not intended to be sequential. The table also includes examples of the types of measures that we will use to track progress. We will undertake further work to refine these measures. Our work will contribute directly to some of the intermediate outcomes, and will enable others.

High-level outcomes	Intermediate outcomes – we are on track to achieve our high-level outcomes when we see:
 <p><b>Vibrant, flourishing communities</b></p>	<ul style="list-style-type: none"> <li>› <b>Sustainable buildings, infrastructure, spaces and the natural environment are integrated in New Zealand’s urban centres.</b> <ul style="list-style-type: none"> <li><i>There are agreed strategic objectives for specific regions, which drive spatial planning.</i></li> <li><i>Increase in the proportion of adults who said they could easily get to most of their local green spaces.</i></li> <li><i>Increase in the proportion of adults who feel safe when walking alone in their neighbourhood after dark.</i></li> </ul> </li> <li>› <b>People have access to education, employment, amenities and services that meet their physical, social and cultural needs.</b> <ul style="list-style-type: none"> <li><i>Increase in the proportion of people who can access their place of employment within a 30 minute car ride or 45 minute public transport ride.</i></li> </ul> </li> <li>› <b>Māori can enjoy the full use of their land.</b> <ul style="list-style-type: none"> <li><i>Increase in the proportion of Māori land used for housing and community development.</i></li> </ul> </li> <li>› <b>Communities have appropriate spaces for businesses to operate and grow.</b> <ul style="list-style-type: none"> <li><i>Increase in urban productivity.</i></li> </ul> </li> </ul>
 <p><b>Affordable homes for every generation</b></p>	<ul style="list-style-type: none"> <li>› <b>People are able to rent or buy appropriate housing for their changing needs.</b> <ul style="list-style-type: none"> <li><i>Increase in rental housing affordability.</i></li> <li><i>Decrease in the time to house people from the public housing register.</i></li> <li><i>Increase in home ownership.</i></li> </ul> </li> <li>› <b>Land is used efficiently, effectively and sustainably to provide homes for people across generations.</b> <ul style="list-style-type: none"> <li><i>Decrease in the price to cost ratio of residential housing.</i></li> </ul> </li> <li>› <b>Māori, whānau, hapū and iwi are empowered to realise their housing aspirations.</b> <ul style="list-style-type: none"> <li><i>Increase in Māori home ownership.</i></li> </ul> </li> <li>› <b>Innovative solutions support scale, pace and quality.</b> <ul style="list-style-type: none"> <li><i>Increase in the proportion of new builds using prefabrication or modular construction.</i></li> </ul> </li> </ul>
 <p><b>Wellbeing through housing</b></p>	<ul style="list-style-type: none"> <li>› <b>Everyone has access to a warm, safe and dry home with security of tenure appropriate to their circumstances.</b> <ul style="list-style-type: none"> <li><i>Decrease in the proportion of the population who are homeless.</i></li> <li><i>Increase in the proportion of people who have lived in one house for at least the last five years.</i></li> <li><i>Decrease in the proportion of children living in homes with cold, dampness or mould.</i></li> <li><i>Increase in the diversity of supply of homes in communities.</i></li> </ul> </li> <li>› <b>People have access to the services they need to be able to sustain their housing.</b> <ul style="list-style-type: none"> <li><i>Decrease in the proportion of tenancy tribunal applications due to rent arrears.</i></li> <li><i>Decrease in the proportion of people who have lived in five or more houses in the last five years.</i></li> </ul> </li> <li>› <b>People have the opportunity to fully participate in the community.</b> <ul style="list-style-type: none"> <li><i>Increase in the average adult score for sense of belonging to their neighbourhood.</i></li> <li><i>Increase in the proportion of Māori who have visited their ancestral marae in the past 12 months.</i></li> </ul> </li> </ul>
 <p><b>A self-adjusting system</b></p>	<ul style="list-style-type: none"> <li>› <b>Housing supply meets housing demand.</b> <ul style="list-style-type: none"> <li><i>Decrease in the ratio of new households to new dwelling consents.</i></li> <li><i>Decrease in average time taken to complete resource consents.</i></li> <li><i>An increase in the proportion of people who are satisfied with the area in which they live.</i></li> </ul> </li> <li>› <b>Collaboration and effective partnerships shape the system.</b> <ul style="list-style-type: none"> <li><i>Increase in stakeholder pulse check of perceived effectiveness of Ministry of Housing and Urban Development relationships.</i></li> <li><i>Increase in the number of people housed as a result of iwi partnerships.</i></li> </ul> </li> <li>› <b>Sector capability and capacity is continuously developing.</b> <ul style="list-style-type: none"> <li><i>Increase in the quality assessment of local government’s housing and business development capacity assessments and future development strategies.</i></li> <li><i>Decrease in cost per square metre of residential construction.</i></li> </ul> </li> <li>› <b>Future consequences are foreseen and planned for.</b> <ul style="list-style-type: none"> <li><i>Information is accessible and used to inform decisions.</i></li> <li><i>Increased local and national planning for responding to future environmental change.</i></li> </ul> </li> </ul>

## OUR KEY DELIVERABLES FOR 2019

We have a number of key deliverables for 2019 against Government's housing and urban development priorities. The table below shows how these map against our high-level outcomes.

Key deliverable for 2019	High-level outcomes which the deliverable contributes to
Developing legislation to establish the Housing and Urban Development Authority, and to enable complex development projects to be delivered at scale and pace.	Vibrant, flourishing communities Affordable homes for every generation
Supporting the transition of the KiwiBuild Unit, Housing New Zealand and its subsidiary Homes.Land.Communities, into the Housing and Urban Development Authority.	Vibrant, flourishing communities Affordable homes for every generation
Delivering more affordable housing via the KiwiBuild programme.	Affordable homes for every generation
Progressing the Urban Growth Agenda with particular focus on infrastructure funding and financing, the Hamilton-Auckland Corridor plan and national direction on quality intensification. Work will also continue to develop a partnership with Auckland and Queenstown councils that focusses on urban growth, transport pricing and options for wider reform of urban development system settings.	Vibrant, flourishing communities Affordable homes for every generation A self-adjusting system
Gazetting the Healthy Homes Regulations that aim to make rental homes warmer and drier.	Wellbeing through housing
Reforming the Residential Tenancies Act 1986 to improve security of tenure for renters. We are working to introduce a Bill to the House by late 2019, subject to other legislative and drafting priorities.	Wellbeing through housing
Developing a cross-agency, system level approach to ending homelessness.	Wellbeing through housing
Delivering 6,400 additional public housing places over four years.	Wellbeing through housing
Working in partnership with providers and stakeholders to establish Housing First in Wellington and the Hutt Valley, Rotorua, Whangarei, Northland, Nelson, Blenheim, Napier and Hastings. Continuing to support Housing First programmes operating in Auckland, Hamilton, Tauranga and Christchurch.	Wellbeing through housing
Continuing to support people who are homeless across the country through other initiatives such as Creating Positive Pathways for ex-offenders.	Wellbeing through housing
Establishing a Māori Housing Unit that will make sure the Ministry has the skills, knowledge and capability to work on Māori housing strategy, policy and investment. This includes navigating the Ministry and the wider government system for iwi or hapū groups that want to work with us on housing and urban development.	Vibrant, flourishing communities Affordable homes for every generation Wellbeing through housing A self-adjusting system

In addition, we need to continue to build the Ministry to fulfil its system leadership role and strategic intentions, as discussed in the organisational development and health section.

We are developing our medium term priorities, which will be informed by government priorities, our organisational strategy, and working with partners and stakeholders.

## ORGANISATIONAL DEVELOPMENT AND HEALTH

To achieve our strategic intentions, we need to build capabilities that complement and extend our existing functions and expertise. These capabilities may be in the form of people, methodologies, systems and processes, or access to external expertise.

They include:

- › developing our **partnership management** capability, to identify and build strong partnerships and alliances
- › developing the capability to apply **system thinking**
- › developing **system governance** capability to convene parts of the system to drive change
- › expanding the expertise, systems and processes needed for our **strategic insights** function
- › developing the capability and commercial nous to lead the delivery of **spatial planning** objectives (working with local government) and to support the identification and assessment of **large-scale development** projects
- › incorporating **service design** methodologies across our work, and developing the capability to **co-design** solutions with others, including end users
- › building **Māori capability** across all our people so that we can be Treaty of Waitangi-anchored and improve outcomes for Māori. This includes developing tikanga and te reo as well as our capability to work effectively with Māori entities and networks and to bring a te ao Māori perspective to our work. It also means supporting our Māori staff in their work.

**We have approached our organisational development in three phases:**

## **1. INITIAL ESTABLISHMENT FOCUS – GETTING UP AND RUNNING**

Our initial focus from legal establishment on 1 August 2018 was on establishing basic systems, such as information technology, property in Wellington and Auckland, and payroll.

We also prioritised developing a people plan and implementing core policies and processes, to ensure the safety and wellbeing of our people.

Work is well underway on developing a positive safety and wellbeing culture and practices. Core policy and processes have been put in place to ensure we manage our safety and wellbeing risks.

Our people plan has three priorities:

- › **Belonging:** ensuring our people feel a sense of connection to and belonging to the new ministry. Helping our people to feel inspired by our purpose and be fully engaged with our new organisation.
- › **Agile organisation:** identifying how we work together, our functions, roles and capabilities, to ensure that these are fit for purpose and we can respond well to change.
- › **People excellence:** processes that support our managers and people to be successful.

## **2. CORE ORGANISATIONAL FOUNDATIONS**

In late 2018 and early 2019 we have focused on implementing strong core foundations for a successful organisation, beyond basic systems. This has included developing the organisational purpose and high-level outcomes indicated in these strategic intentions.

This foundational work has also included clarifying the ongoing leadership structure and resources necessary to perform our system leadership role and achieve our strategic intentions.

We have focused on core people processes and policies, including recruitment, induction, performance and remuneration, and capability development. In early 2019, we will develop a gender pay action plan to achieve pay and employment equity.

We are conscious that our people have undergone significant change through the formation of the Ministry of Housing and Urban Development, and are physically located across a range of sites and locations. The organisation will continue to undergo structural and other changes as the Housing and Urban Development Authority is established, and we continue to build our capabilities.

It will be important that we monitor and understand organisational health, and continue to support our people through resilience and wellness tools. In 2019, we will run our first Ministry-wide engagement survey, which will serve as a benchmark against other New Zealand public sector organisations and for ourselves over time. In addition to measuring engagement levels, the survey will help us understand the cultural and behavioural shifts that will be necessary to deliver on our strategic intentions and approach.

We have developed an internal governance model to ensure the Ministry is working effectively and efficiently, planning strategically, and can lead across system stakeholders. We will continue to develop and embed our governance model and risk management approach, so we are a safe, responsible, transparent and learning organisation.

An Enterprise Risk Management Framework has been drafted for approval in early 2019. This is aligned to the international standard for risk management. An Audit and Risk Committee will be established in the first quarter of 2019 to provide independent advice to the Chief Executive on risk, internal controls and assurance matters. We will be diligent in our risk management practices and regularly review the Ministry's risk management approach, risk appetite and maturity, to ensure good stewardship of the organisation.

### 3. NEXT STEPS: EMBEDDING FOUNDATIONS AND IMPLEMENTING OUR STRATEGIC INTENTIONS AND APPROACH

By the end of 2020, we will have a comprehensive plan for organisational development. Our focus over the next 12 months will be on:

- › developing our organisational operating model and recruiting to permanent leadership roles
- › implementing a plan to build the capabilities we need to achieve our strategic intentions, with a particular focus on developing the Ministry as a bicultural organisation
- › continuing to build stakeholder relationships, with particular focus on iwi and Māori
- › developing a medium-term work programme informed by our strategic intentions and approach
- › securing a permanent location for all of our Wellington-based people
- › building our presence in Auckland to increase our ability to partner effectively, and considering how we effectively engage and partner in other centres and regions
- › completing the transition to Ministry of Housing and Urban Development information technology systems, in particular implementing a ministry-wide document management system.





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