



**MINISTRY OF HOUSING
AND URBAN DEVELOPMENT**

Statement of Strategic Intentions

2019–23



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Ministry of Housing and Urban Development
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New Zealand Government





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MINISTERIAL FOREWORD

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.

A handwritten signature in black ink, appearing to be 'P. Twyford', followed by a horizontal line and a vertical bar at the end.

Hon Phil Twyford

Minister of Housing and Urban Development
February 2019



CHIEF EXECUTIVE FOREWORD

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.

A handwritten signature in black ink, appearing to read 'Andrew Crisp'.

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.



A photograph of a man and a woman standing on a hillside, looking out over a cityscape. The man is on the left, wearing a light-colored shirt, and the woman is on the right, wearing a light-colored top with a braided ponytail. They are both looking towards the right, where a dense residential area with many houses is visible. In the background, there are rolling hills under a cloudy sky. The image is overlaid with a semi-transparent dark blue geometric shape on the right side.

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.

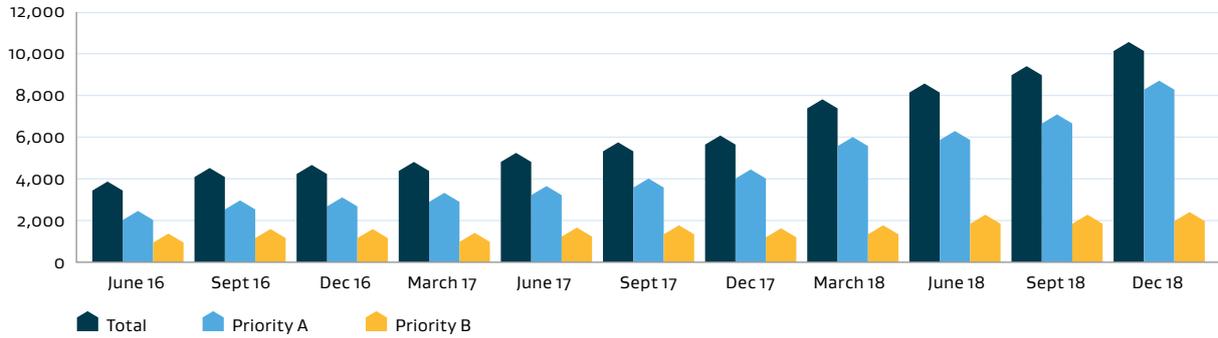
High housing costs also have significant social impacts including increased overcrowding and homelessness, and insufficient income to pay for food and other essentials. Housing costs have been a key driver of increased need for hardship assistance from government. Over time, inadequate housing can have 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.

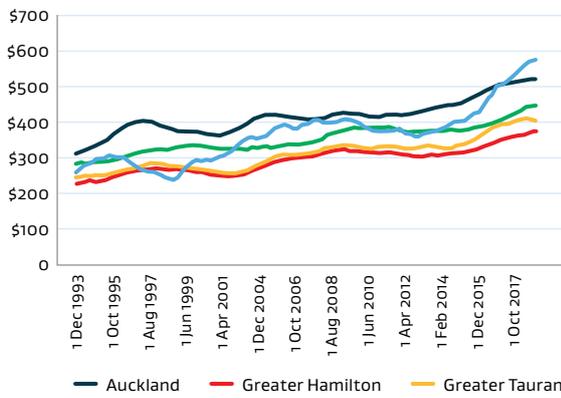
Māori face particular constraints on developing their land to realise their aspirations, including for papakainga housing. Pasifika households experience high rates of overcrowding (with related health risks), have lower median income than other groups, and can face challenges accessing housing suitable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

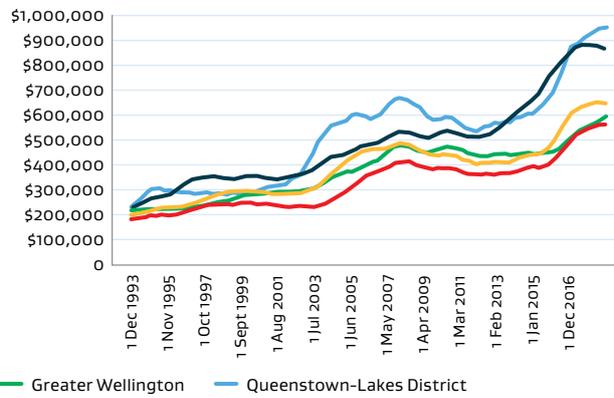
Households on public housing register, by priority (excluding transfer register)



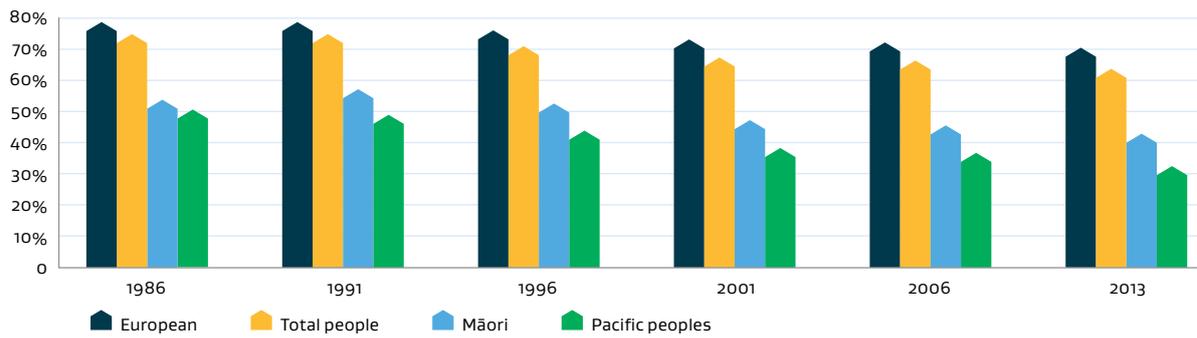
12-month rolling dwelling rents (weekly, inflation-adjusted)



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

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.



