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Office of the Minister of Finance
Office of the Minister of Housing

Cabinet Business Committee

Government Policy Statement on Housing and Urban Development

Proposal

1. This paper seeks agreement to issue the Government Policy Statement on Housing and Urban Development (GPS-HUD).

Relation to government priorities

2. Our Government's priority is to improve wellbeing, with a focus on addressing housing, tackling climate change and alleviating child poverty. The government's objectives for the housing market [CAB-21-MIN-0018 refers] are to:
 - 2.1. *ensure every New Zealander has a safe, warm, and dry and affordable home to call their own – whether they are renters or owners;*
 - 2.2. *support more sustainable house prices, including by dampening investor demand for existing housing stock which would improve affordability for first-home buyers;*
 - 2.3. *create a housing and urban land market that credibly responds to population growth and changing housing preferences, that is competitive and affordable for renters and homeowners, and is well-planned and well-regulated.*
3. The GPS-HUD will help with all of these connected goals.
4. COVID-19 has exacerbated the housing and urban inequality that exists in Aotearoa New Zealand. The Waitangi Tribunal's Wai 2750 Kaupapa inquiry into Māori Housing Policy and Services has outlined the impact of years of insufficient responses to Māori Housing issues that have had an intergenerational impact on Māori communities, impacts that continue to be felt today.

5. The GPS-HUD can help COVID-19 recovery efforts while also helping to address long term systemic barriers in our housing and urban development system.
6. Our Government is undertaking a range of critical responses to our immediate needs, in addition to progressing wide-ranging resource management reforms, implementing the National Policy Statement for Urban Development, supply initiatives, the Infrastructure Fund, the Housing Acceleration Fund, and the Kāinga Ora build programme. The GPS-HUD brings this broad work programme together, links it to a common strategic direction, and proposes ways forward that are easily understood and will endure into the long term.
7. Action on homelessness and warmer homes are areas covered by the Cooperation Agreement between the Labour and Green Parties. Housing and urban development policy settings are also important for achieving our climate change goals.

Executive Summary

8. A GPS-HUD must be prepared and issued by 1 October 2021, and it must state the Government's overall direction and priorities for housing and urban development. It will inform and guide the actions of agencies involved in housing and urban development, and it will set expectations for how Kāinga Ora - Homes and Communities (Kāinga Ora) manages its functions and operations.
9. Kāinga Ora must give effect to the GPS-HUD when performing its functions. More broadly, successful delivery of the proposed strategic direction will rely on collective action across a range of Government agencies and other actors in the system.
10. The GPS-HUD provides an opportunity to build consensus on how to clarify and reset the purpose of our housing and urban development systems, and achieve our shared and separate objectives. This starts with setting a clear vision that guides the systemic changes needed to address the housing crisis and New Zealand's urban under-performance.
11. The GPS-HUD will help to align our ambitious work programmes, providing a context for good decisions oriented to clear long-term objectives.
12. We are seeking Cabinet agreement to issue the GPS-HUD.

Background

13. A long-standing problem for our housing and urban development system has been the lack of an agreed strategic direction or understanding of the outcomes we are collectively and individually seeking to achieve.
14. The GPS-HUD is an important tool for building and maintaining consensus around a shared, long-term vision and outcomes for the system. There are many different groups, organisations and agencies involved in the housing

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and urban development system. It is important to align actions across the system; we cannot rely on government action alone.

15. The Kāinga Ora Homes and Communities Act (Kāinga Ora Act) requires the Ministers to issue the GPS-HUD by 1 October 2021. The purpose of the GPS-HUD is to:
 - 15.1. *“state the Government’s overall direction and priorities for housing and urban development”* (S.23(1)(a); and
 - 15.2. *“inform and guide the decisions and actions of agencies involved in and the activities necessary or desirable for housing and urban development”* (S.23(1)(b)).
16. The Kāinga Ora Act stipulates what must be included in the GPS-HUD and allows for any other matters the Ministers may consider relevant.
17. The Kāinga Ora Act also stipulates that when preparing the GPS-HUD, the Ministers must:
 - 17.1. *“be satisfied that the GPS-HUD promotes a housing and urban development system that contributes to the current and future well-being of New Zealanders”* (S.24(a)); and
 - 17.2. *“consult Kāinga Ora and persons, and representative groups of persons who have an interest in housing and urban development in New Zealand”* (S.24(b)).
18. The GPS-HUD may be reviewed at any time but must be reviewed every three years.
19. Officials have addressed the requirements of the Kāinga Ora Act. They:
 - 19.1. undertook engagement with key stakeholders and partners across the housing and urban development sector;
 - 19.2. consulted with Kāinga Ora and other government agencies; and,
 - 19.3. undertook broad public consultation on a draft GPS-HUD in the form of a discussion document.
20. Input from iwi and Māori partners, local government, and the broad range of groups and organisations which play a part in the housing and urban system has been crucial to the development of the GPS-HUD. It has helped us to build a greater understanding of what our partners and stakeholders and the general public want for the future and how we might get there. Ongoing engagement is also essential to ensure the GPS-HUD has a broad level of support and is providing the direction needed.

Consultation, submissions and revisions

21. A discussion document for GPS-HUD was released for public consultation from 14 June to 30 July 2021. Over 500 submissions were received during the consultation period. We are very pleased with the diversity of stakeholder organisations and interests that have engaged with this vital piece of work. Meaningful changes were made to the draft GPS-HUD as a result of the feedback.
22. Overall, most submitters were supportive of the GPS-HUD framework set out in the discussion document and were not looking for major changes. There were however some areas where submitters, including key stakeholders and partners, sought more emphasis and clarity.
23. Some common themes emerged, which have resulted in some strengthening or clarification in the GPS-HUD. These include:
 - 23.1. A more directive approach: Some submitters called for the GPS-HUD to be a directive plan of specific actions. We are of the view that the GPS must take a long-term view, and it does this by identifying a range of focus areas and ways of working, and high priority programmes of work. It would be at risk of becoming redundant or less durable if it was used as the main vehicle for prescribing specific actions and works, particularly for matters that are being resolved through other avenues such as resource management reform. The appropriate way forward is to complement the GPS-HUD with a more detailed, shorter-term implementation plan and actions developed across agencies. This is signalled in the GPS, and will be developed for early 2022.
 - 23.2. A human rights-based approach: A large number of submissions are looking for the GPS-HUD to more directly give effect to a 'human rights-based approach' to housing, referencing our international human-rights obligations. This has gained prominence with the report of the UN Special Rapporteur and the more recent release of the Human Rights Commission Framework Guidelines on the Right to a Decent Home in Aotearoa (the Guidelines). However, analysis and feedback also indicates that the GPS-HUD framework in the discussion document is broadly aligned with the United Nations 'decent housing' principles and with the Guidelines. The revised GPS-HUD explicitly notes this alignment, and states that Government will continue to understand what would be required to strengthen alignment with the right to a decent home in our Aotearoa New Zealand context.
 - 23.3. Accessibility: the need to design buildings and places to meet the mobility and accessibility needs of disabled people and an ageing population came through strongly in submissions. We note that improving accessibility and creating accessible places also creates strong co-benefits for the wellbeing and independent mobility of

tamariki and rangatahi. In response, the GPS-HUD signals an intention to both explore how we can better regulate for accessible homes, and for government to lead by example in how it approaches its own urban development role.

24. In the course of addressing the feedback, the proposed GPS-HUD document is shorter than the discussion document with more concise and relatable language. The overall framework remains – structured around a vision, outcomes, focus areas, and ways of working – as this resonated well with submitters. However, specific wording has been adjusted, and some focus areas have been combined and/or split to support understanding.

The GPS-HUD framework

The GPS-HUD reaches from vision through to action

25. **Vision:** The GPS-HUD states the Government’s long-term vision for housing and urban development: “*Everyone in Aotearoa New Zealand lives in a home and within a community that meets their needs and aspirations.*” That vision will be achieved by focussing on outcomes.
26. **Outcomes:** There are four essential outcomes sought by GPS-HUD. These outcomes do not stand alone but are intended to reinforce each other and collectively support our vision. For example, wellbeing supported by housing is a key requirement of a thriving community, and vice versa.
- 26.1. *Thriving and resilient communities* - Everyone is living in communities that meet their needs. The places where people live are accessible and connected to employment, education, social and cultural opportunities. They grow and change well within environmental limits, support our culture and heritage, are resilient to natural hazards, and help us reduce emissions and adapt to the impacts of a changing climate.
- 26.2. *Wellbeing through housing* - Everyone lives in a home, whether rented or owned, that is stable and affordable. The quality, accessibility, size, and features of our homes support people to live healthy, successful lives.
- 26.3. *Partnering for Māori housing and urban solutions* - Māori and the Crown are working together in partnership to ensure all whānau have safe, healthy affordable homes with secure tenure. Māori housing solutions are led by Māori and are delivered locally. Māori are able to use their own assets and whenua Māori to invest in and support housing solutions.
- 26.4. *An adaptive and responsive system* - The system is integrated, self-adjusting and delivers in response to emerging challenges and opportunities. Land-use change, infrastructure and housing supply is responsive to demand, well planned and well regulated.

27. **Focussing collective efforts in particular areas:** Those four outcomes, and thus the vision, will need sustained efforts in six interdependent areas (these are described in detail in the GPS-HUD). These focus areas contain actions that are cross-cutting and are intended to support multiple outcomes. For example, actions to support our climate change response sit across many of the focus areas.
- 27.1. *Ensure more affordable homes are built*
 - 27.2. *Ensure houses meet needs*
 - 27.3. *Enable people into stable, affordable homes*
 - 27.4. *Support whānau have safe, healthy affordable homes with secure tenure*
 - 27.5. *Re-establish housing's primary role as a home rather than a financial asset*
 - 27.6. *Plan and invest in our places*
28. This set of focus areas responds to Cabinet objectives, incorporates existing work programmes, and anticipates the need for robust prioritising and alignment in the future.
29. **Ways of working:** The housing and urban development system is complex, and involves many players and many government agencies and portfolios. The GPS-HUD proposes several shifts in the way that government and others work together in our housing and urban system to achieve better outcomes:
- 29.1. *Te Maihi o te Whare Māori* – Acknowledges the history of Māori housing and responds to these needs through kaupapa Māori approaches. MAIHI sets a precedent for collaborating across agencies and working with Māori to increase housing supply.
 - 29.2. *Place-based approaches* – Communities access and develop housing and urban solutions that work for them in each place; solutions are developed collaboratively and are targeted to meet their needs.
 - 29.3. *Genuine and enduring relationships* – Effective relationships, and coordinated planning, investment and decision-making delivers outcomes and supports capability and capacity building across the system.
 - 29.4. *Sustainable and reliable funding* – Long-term certain and sustainable public and private funding is paired with regulatory and system reforms to support and incentivize housing and urban development outcomes.
30. Successful delivery of GPS-HUD will rely on action across a range of Government portfolios. The document has been developed with input from agencies across government. We are seeking your support to ensure that

where government agencies have a role in housing and urban development, they will be expected to help implement the GPS-HUD, and to consider how they can shift and align their work programmes, policies and investments with the direction and priorities set out in this GPS-HUD.

Alignment with the new national Māori Housing Strategy: Maihi Ka Ora

31. The GPS-HUD has been developed in parallel with the national Māori Housing Strategy: Maihi Ka Ora. Developing these key documents together enables us to align strategic direction across the GPS-HUD and the Māori Housing Strategy, as part of setting the long-term direction for the housing and urban system.
32. The purpose of the new strategy is to provide strategic direction to current and future policy, process and investment decision that impact Māori housing. The strategy elevates the Māori Iwi Housing Innovation Framework for Action (MAIHI) and uses the framework's 'respond, reset and review' structure to guide the strategic goals for Māori housing over the immediate and long term.
33. The GPS-HUD incorporates the strategy's vision and priorities.

Next steps

Publication of GPS-HUD

34. Following Cabinet agreement, we will finalise the design and make any minor amendments required prior to publication, as well as incorporate any consequent changes needed as a result of Cabinet consideration of the proposed Māori Housing Strategy: Maihi Ka Ora. We also intend to:
 - 34.1. Provide te reo Māori translations of key elements.
 - 34.2. Publish the document in accessible formats.
35. We propose to publish the GPS-HUD document on the HUD website on or shortly after 1 October. Some of the services referred to in the previous paragraph are in high demand and may not be able to complete tasks by 1 October, in which case efforts will be made to deliver those products as soon as possible.

Implementation

36. The GPS-HUD is an important strategic document and needs to be activated through a range of decisions and actions by Government and other key organisations.
37. Ministry officials will develop an implementation plan with other agencies in the weeks and months after the GPS-HUD is formally adopted. The implementation plan will be provided to Housing Ministers to ensure the GPS-HUD is activated as intended, and with Ministerial mandate. We have stated

in the GPS that the first implementation plan will be published in the first quarter of 2022.

38. Officials will work with key stakeholders to support their understanding and application of the GPS-HUD.

Financial Implications

39. The GPS-HUD will be delivered through programmes that have their own budget processes and financial implications. We would expect the GPS-HUD to influence the shape and size of future Budget decisions and the allocation of investment towards housing, infrastructure and urban development.

Legislative Implications

40. The GPS-HUD does not directly propose any legislative changes. It will set the strategic direction for the development of future policies that may require legislation. It is not inconsistent with legislative reforms currently in progress, such as resource management reforms.

Impact Analysis

Regulatory Impact Statement

41. There are no regulatory proposals in this paper, therefore Cabinet’s regulatory impact analysis requirements do not apply.

Climate Implications of Policy Assessment

42. The Climate Implications of Policy Assessment (CIPA) requirements do not apply as the GPS-HUD does not have a direct impact on emissions. We expect that the GPS-HUD will have an impact on emissions over the long term, by setting expectations around urban form, transport planning and building performance.

Population Implications

43. Development of the GPS-HUD has included consideration of the implications for different population groups, as shown in the table below.

Population group	How the proposal may affect this group
Māori	The GPS-HUD includes delivering the MAIHI framework for action so that iwi and Māori drive solutions that are tailored and enduring across the various landscapes (rural and urban) where whānau Māori reside.
Women	Women are disproportionately affected by housing issues, and relief actions are in progress. Over the longer term, the GPS-HUD proposes directions that would benefit women by improving access to housing.
Disabled people	The GPS-HUD will benefit disabled people, by setting expectations that housing will meet the needs of all people; by improving housing affordability and security; and by supporting accessible built

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	environments and transport in our urban areas.
Children	The GPS-HUD aims to increase housing supply and ensure it meets the needs of all New Zealanders, which will benefit children by lifting the access families have to good quality housing and improving the accessibility and safety of our town and cities.
Seniors	The proportion of New Zealanders reaching the age of eligibility for New Zealand Superannuation without owning their own home is increasing, meaning they need an income stream to pay for rent or are reliant on public or community housing. The GPS-HUD proposes policy direction that will assist more New Zealanders into home ownership, to increase support for affordable and public and social housing, and to ensure housing is appropriate for people at all life stages.
People who are gender diverse	Gender diverse people are disproportionately likely to face homelessness and to struggle to access housing, due to discrimination in housing and employment. The GPS-HUD proposes to reduce homelessness, increase housing supply and ensure housing supply meets the needs to all New Zealanders, including ensuring housing is more affordable.
Pacific peoples	Pacific peoples have very low and declining rates of home ownership and a relatively high level of overcrowding. Many Pacific peoples have preferences for multi-generational family living, and New Zealand’s housing stock does not easily accommodate this. The GPS-HUD proposes to increase housing supply, diversity, quality and affordability, which can help to improve the access of Pacific peoples to quality housing that meets their needs.
Rural communities	The GPS-HUD proposes policy direction that would help to address the needs of rural communities by improving housing quality, affordability and broader housing outcomes in these places and improving the functionality of urban and town centre environments in these areas.

Human Rights

44. The New Zealand Human Rights Commission’s recently published “*Framework Guidelines on the right to a decent home in Aotearoa*” consolidates the above-mentioned UN conventions and declarations, in a New Zealand context. The *Guidelines* provide a values-based starting point to inform government and non-government actions.
45. The GPS-HUD supports the right to a decent home, for example, by including policy direction to meet Te Tiriti obligations by resetting the system to support iwi and Māori in their housing aspirations, as well as direction to reduce homelessness, support housing affordability, support access to housing that meets all people’s needs (including the most disadvantaged) and reinforcing the role of the house as a home rather than a financial asset for speculative wealth creation.
46. The International Bill of Rights and the Convention on the Rights of the Child include the right to a decent home. The United Nations Declaration on the Rights of Indigenous Peoples includes numerous provisions that highlight the critical importance of home (kāinga) and land (whenua) to tangata whenua. The UN Convention on the Rights of Persons with Disabilities stipulates rights

of access to housing, property, employment, social and cultural opportunities and the ability to live independently.

47. The GPS-HUD is not inconsistent with either the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Consultation

48. The Kāinga Ora Act requires that, when preparing the GPS-HUD, Ministers must consult Kāinga Ora and persons, and representative groups of persons, who have an interest in housing and urban development in New Zealand. The consultation process has been extensive.
49. The following departments have had opportunities to input to the development of the GPS-HUD and this Cabinet paper: Climate Change Commission, Department of Conservation, Department of Internal Affairs, Infrastructure Commission, Kāinga Ora, Ministry for the Environment, Ministry of Business, Innovation and Employment, Land Information New Zealand, Ministry of Culture and Heritage, Heritage New Zealand Pouhere Taonga, Ministry of Education, Ministry of Health, Ministry of Pacific Peoples, Ministry of Social Development, Ministry of Transport, Statistics New Zealand, Te Arawhiti, Te Puni Kōkiri, the Treasury, Waka Kotahi New Zealand Transport Agency. The Department of Prime Minister and Cabinet has been informed.
50. Public consultation on the draft GPS-HUD met the requirements of the Kāinga Ora Act.

Communications

51. Subject to Cabinet agreement to the recommendations of this paper, the GPS-HUD will be published on the HUD website on or before 1 October 2021. We propose to issue a press release to inform New Zealanders of the GPS-HUD, and Te Tūāpapa Kura Kāinga, Ministry of Housing and Urban Development, will also communicate directly with key partners and stakeholders.

Proactive Release

52. We intend to proactively release this paper by publishing it on HUD's website.

Recommendations

53. The Minister of Finance and Minister of Housing recommend that the Committee:
- 1 **note** that the Kainga Ora – Homes and Communities Act 2019 requires Ministers to issue a Government Policy Statement on Housing and Urban development (GPS-HUD) by 1 October 2021.
 - 2 **note** that the purpose of the GPS-HUD is to state the Government's overall direction and priorities for housing and urban development; and inform and

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guide the decisions and actions of agencies involved in, and the activities necessary or desirable for, housing and urban development.

- 3 **note** that the GPS-HUD has been prepared by the Ministry of Housing and Urban Development with input from other government agencies and from partners and stakeholders across the housing and urban development system.
- 4 **agree** that where government agencies have a role that impacts on our housing and urban development objectives, they will be expected to help implement the GPS-HUD, and to consider how they can shift and align their work programmes, policies and investments with the direction and priorities set out in this GPS-HUD.
- 5 **approve** the issuing of the Government Policy Statement for Housing and Urban Development included at Annex 1.
- 6 **authorise** the Minister of Housing to approve the final design and any further minor and technical changes and additions to the GPS-HUD prior to its publication.
- 7 **authorise** the Minister of Housing to make any further amendments required as a result of Cabinet consideration of the Māori Housing Strategy: Maihi Ka Ora.

Authorised for lodgement

Hon Grant Robertson

Minister of Finance

Hon Dr Megan Woods

Minister of Housing

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Annex 1

Government Policy Statement on Housing and Urban Development